

HM Land
Registry

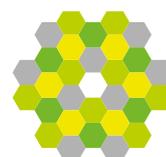


Annual report and accounts 2018/19

Transforming together

HM Land Registry

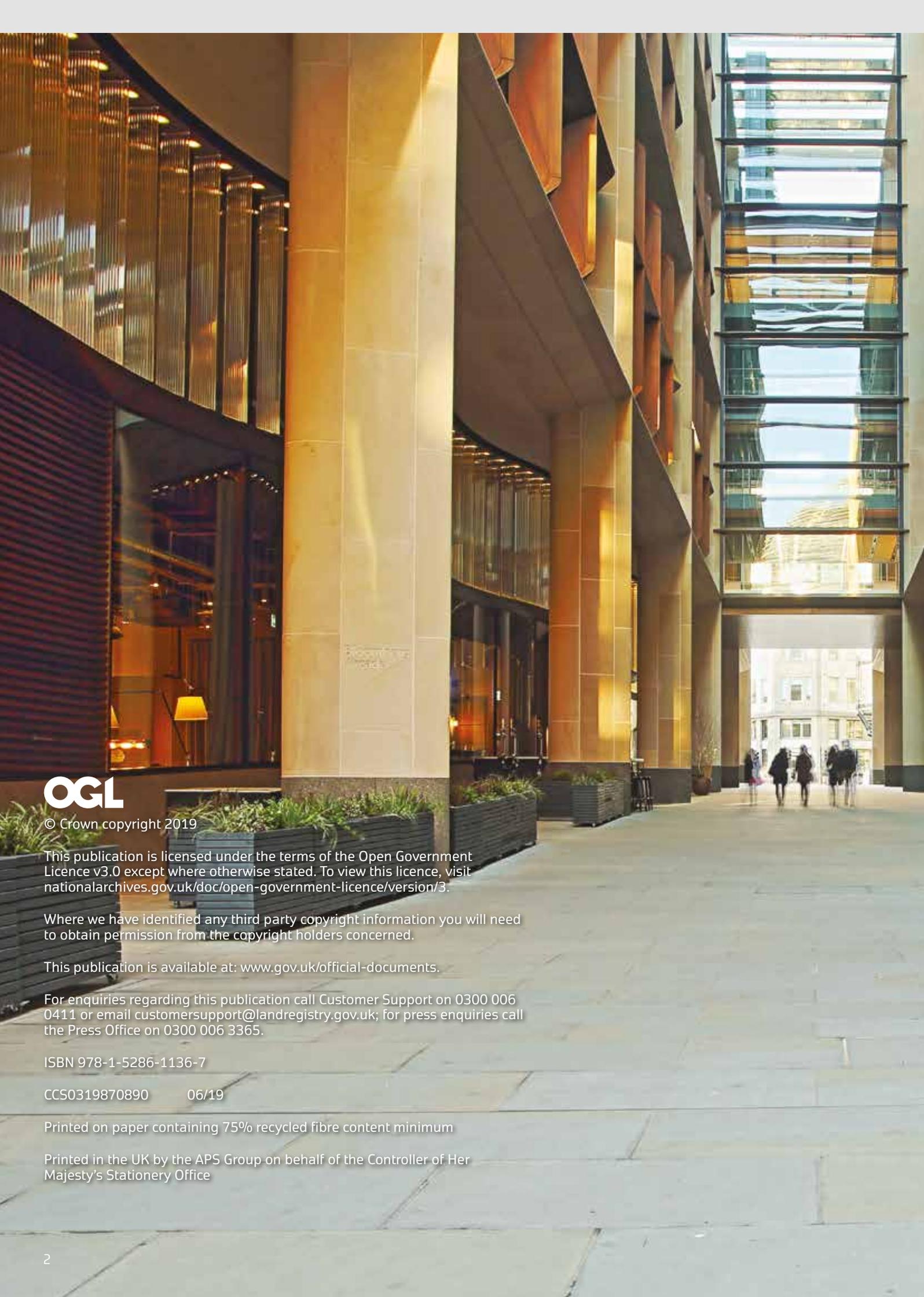
Annual report and accounts 2018/19



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Cover/inside cover: Bloomberg London Bloomberg's new European headquarters in the City of London was specifically tailored for the information and technology company, accommodating its 4,000 London-based employees under one roof for the first time. Designed by Foster + Partners, Bloomberg London was awarded the Royal Institute of British Architects' Stirling Prize in October 2018. The project included the reopening of a stretch of ancient Watling Street in the shape of Bloomberg Arcade (pictured), a public walkway through the site lined with restaurants and decorated with public art.

At the same time registration expert Ged Power was registering the lease at our Birkenhead Office. "It was amazing to see the news reporter walking around the atrium of the building that I was in the process of working on," said Ged, who rates the application as among the most complex he has been involved in during his 39-year career due to the patchwork of titles registered to landlord Walbrook Square. These included slivers of 'airspace' overhanging the surrounding pavement. Registering the underlease to Bloomberg took Ged around a week's work in total, including studying the completed building using Google Street View. Cover photo: Shutterstock/MartineDF Inside cover photo: Shutterstock/Eugene Regis

Performance report

Overview

HM Land Registry at a glance

The purpose of the overview is to give a summary of HM Land Registry, its purpose and performance against objectives.

Our ambition

HM Land Registry is committed to becoming the world's leading land registry for speed, simplicity and an open approach to data, and aiming to achieve comprehensive registration by 2030.

Our mission

Your land and property rights: guaranteed and protected.

Our primary role

Land is our nation's greatest asset. Clarity and security of land ownership is essential to a functioning property market. A healthy market is essential to a successful economy and society. Land is used to support all dimensions of life – agricultural, business, social and personal. Its financial value may fluctuate, but its vital role in life remains the same.

We provide that necessary clarity and security in property ownership and interests. We do this by maintaining a Land Register of more than 25 million land and property titles in England and Wales valued at £7 trillion, enabling more than £1 trillion worth of personal and commercial lending to be secured against property. The records are state guaranteed. We enable property transactions to be registered accurately, efficiently and safely. This provides trust and confidence in the property market and thereby in the economy generally.

Our values

- We give assurance
- We have integrity
- We drive innovation
- We are professional

Our statutory duties

HM Land Registry was established in 1862. We are a non-ministerial government department, an executive agency (since 1990) and a trading fund (since 1993) that makes no call on funds voted by Parliament.

The Land Registration Act 2002 empowers us to deal with “the business of registration” and is our primary governing statute. Our income from fees covers all of our costs under normal operating conditions.

The head of HM Land Registry is the Chief Land Registrar, appointed under statute by the Secretary of State for Business, Energy and Industrial Strategy (BEIS) who has Parliamentary responsibility for HM Land Registry and for the legislation under which we operate.

The Infrastructure Act 2015 enabled HM Land Registry to start to compile a national register of local land charges.

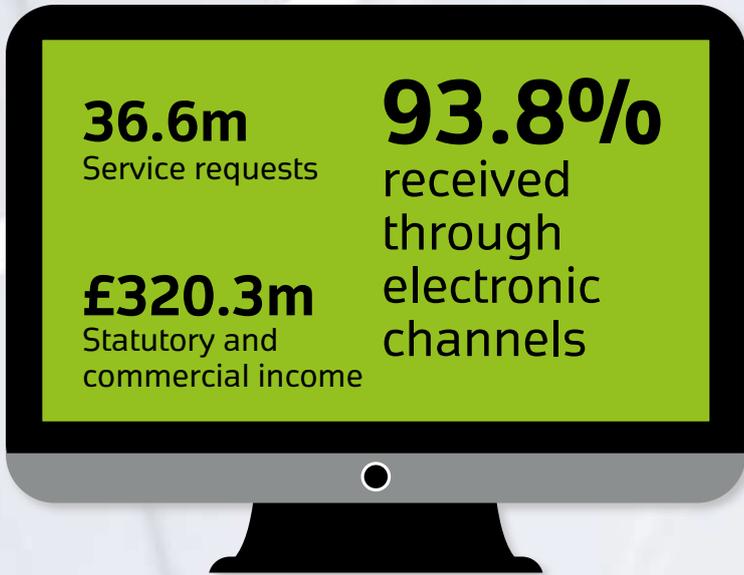
Our services

Our ambition to become the world's leading land registry for speed, simplicity and an open approach to data was announced by the Government in February 2017. This was followed by the publication of HM Land Registry's Business Strategy for 2017-2022 in November 2017.

For more than 150 years it has been our privilege at HM Land Registry to provide an extraordinary breadth of services whose simple purpose is to maintain clarity and security in property ownership and secured lending and to support swift transactions. We have provided the trust and confidence the market and economy need through being expert and having integrity in all we do.

Our Head Office building in Croydon Photo: HM Land Registry





Customers surveyed who rate our services as good, very good or excellent

92%



Registered titles

25.5m

Employees

5,619
(5,074 full-time equivalent)



Male Female

39.5% **60.5%**



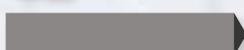
Part-time

33.2%



Apprentices

62



£77,346
raised for charity

£ £ £

Registered land in England and Wales

86.6%
13.1m hectares



14 locations

Our role in the property and financial markets

Looking for a property	Arranging a mortgage	Before the exchange
What our customers ask		
<ul style="list-style-type: none"> — what's available close to home? — how big is the garden? — how big is the car park 	<ul style="list-style-type: none"> — how much can I borrow? — what's the property worth? 	<ul style="list-style-type: none"> — is the land registered? — who owns the property? — is there an outstanding mortgage?
		
Examples of our services that can help at every stage		
<ul style="list-style-type: none"> — register view — price paid data 	<ul style="list-style-type: none"> — land charges search — house price index — bankruptcy search 	<ul style="list-style-type: none"> — search of the index map (search of the national map) — official copy (official copy of a register entry)

Our services

 **Information services**
Income **£19.5m**
Application volume **7.8m**



 **Register change services**
Income **£230.5m**
Application volume **7.2m**



We hold one of the largest transactional geospatial property databases in Europe and since 1990 our register has been open to the public. Our online services let people check whether a property is registered (without the specific details), check the progress of their request and receive notifications to protect their property against fraud for free. For a small fee anyone can get an instant snapshot of the details for any registered property.

When things change, the register needs to be updated accurately. Properties are sold, homes and office buildings are remortgaged, owners get married or property is transferred when owners pass away. When buildings are split into flats, portions of land are sold on and new developments completed, new titles need to be created. Changing the register can be complex so this is where our expert caseworkers focus their technical knowledge and experience.

Views of the register
£19.5m
Application volume **6.6m**

MapSearch
Free
Application volume **1.2m**

Register updates
£148.6m
Application volume **6.7m**

Transfers of part
£38.8m
Application volume **0.2m**

New leases
£26.7m
Application volume **0.2m**

First registrations
£16.4m
Application volume **0.1m**

Exchange of contract	Completion	Living and working in the property
<ul style="list-style-type: none"> — is the offer protected? — has the seller's conveyancer searched the register? 	<ul style="list-style-type: none"> — has my loan been registered? — has the sale of the property been completed? 	<ul style="list-style-type: none"> — are my details up to date? — how can I stop myself being a victim of property fraud? — I need to remortgage
		
<ul style="list-style-type: none"> — official search (completion priority protection) 	<ul style="list-style-type: none"> — register updates — registering new titles 	<ul style="list-style-type: none"> — Property Alert (free property monitoring service) — digital mortgage



Guaranteed queries

Income

£58.9m

Application volume
20.1m

Our search of the index map, official copies and official searches services provide protection and assurance to property professionals and citizens by protecting transactions while the transfer is completed. These services are largely automated so customers can get their results instantly, making conveyancing faster.

Official copies

£50m

Application volume
16.7m

Official searches

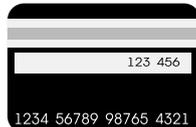
£7.8m

Application volume
2.6m

Searches of the index map

£1.1m

Application volume
0.8m



Other services

Income

£11.5m

Our Local Land Charges service, launched in July 2018, can reveal whether a property has restrictions on its use. Our digital Land Charges service protects certain interests in unregistered land and we maintain the bankruptcy index for England and Wales. Our Agricultural Credits Department is responsible for maintaining a register of short-term loans secured on farming stock and other agricultural assets.

Land Charges and Agricultural Credits

£7m

The information in our register is valuable to a wide range of users from property professionals and financial institutions through to tech start-ups and infrastructure specialists. Our data, available directly from us or via tech intermediaries, enables property technology (PropTech) entrepreneurs to create new products, allows buyers and lenders to make more informed decisions and facilitates transparency to combat fraud and corruption.

Commercial services

£4.5m

Statutory and commercial income

£320.3m

Service requests
36.6m

The total income figure includes refunds. The income figure for each individual service in this diagram excludes refunds.

The service requests figure includes 1.6m telephone calls and items of correspondence.

Chair's statement

by **Michael Mire**

“While our aims may be ambitious, our plans are realistic, delivering the changes our colleagues and our customers need and want today while preparing for a future that may be radically different.”

The **Gasholders London** project has converted three Victorian listed cast-iron gasholders in King's Cross, central London, into homes by constructing residential drums within the holders. The drums are set at differing heights to suggest the rise and fall of the stored gas and each has a central atrium allowing light to flood in. Registration proved complex as it involved the consideration of large, complex deeds affecting the site due to its proximity to London St Pancras International Station and the High Speed 1 railway line. The new casework systems we are developing will make the registration of all properties simpler, faster and cheaper Photo: John Sturrock





MICHAEL MIRE Chair of HM Land Registry

Her Majesty's Land Registry has an illustrious reputation. For 157 years we have imparted our expertise and objectivity to secure England and Wales' immense property wealth.

Two years ago, we launched an ambitious Business Strategy that set out to reveal another side of this prestigious institution – our ability to take a leading role in a digital transformation of the property market.

In the second year of the strategy that leading role has been firmly established.

The Digital Street community we lead has grown as more industry players from banks and building societies through to property lawyers and PropTech innovators have joined us to help show the world how blockchain and smart contracts could deliver seamless transactions in the future. Internally we have reshaped our underpinning technology architecture and trialled a new intuitive casework system and we are now using robotic processing to remove simple tasks from our registration experts.

Our data continues to fuel the growing digital economy through the release of new datasets and our Geovation

The way we interact with the world digitally is rapidly changing. HM Land Registry will enable its data and services to keep step with these behavioural changes, including voice activated registration.

programme which supports PropTech entrepreneurs to create innovative products and services with our data. So far, our £160,000 of seedcorn investment has resulted in more than £6m worth of third-party investment.

We hold some of the most valuable location intelligence in the world. We are taking a leading role with the Geospatial Commission in linking it with multiple data sources to unlock the huge amount of economic value in geospatial data.

Our colleagues remain vital to our future plans. At each meeting the Board directors hold breakfast sessions with colleagues to talk about the future and the challenges we face in creating a world-leading land registry. Those sessions have been invaluable to me. They have enabled a dialogue about how we ensure we empower and develop our experts and help to recruit and retain the most talented people. Without them, we will not be the world's best.

While we look to the future, we have not lost our focus on the vital role we play day-in-day-out in the smooth running of the residential and commercial property markets and the underpinning of property lending.

Even with one of the highest demand years we have seen in recent times, we still retained good customer satisfaction and achieved our quality targets. However while we have met the standard for first registration of unregistered land and large housing developments we are not yet meeting the standard for other complex new title work. Tackling this will be our top priority for next year.

While our aims may be ambitious, our plans are realistic, delivering the changes our colleagues and our customers need and want today while preparing for a future that may be radically different.

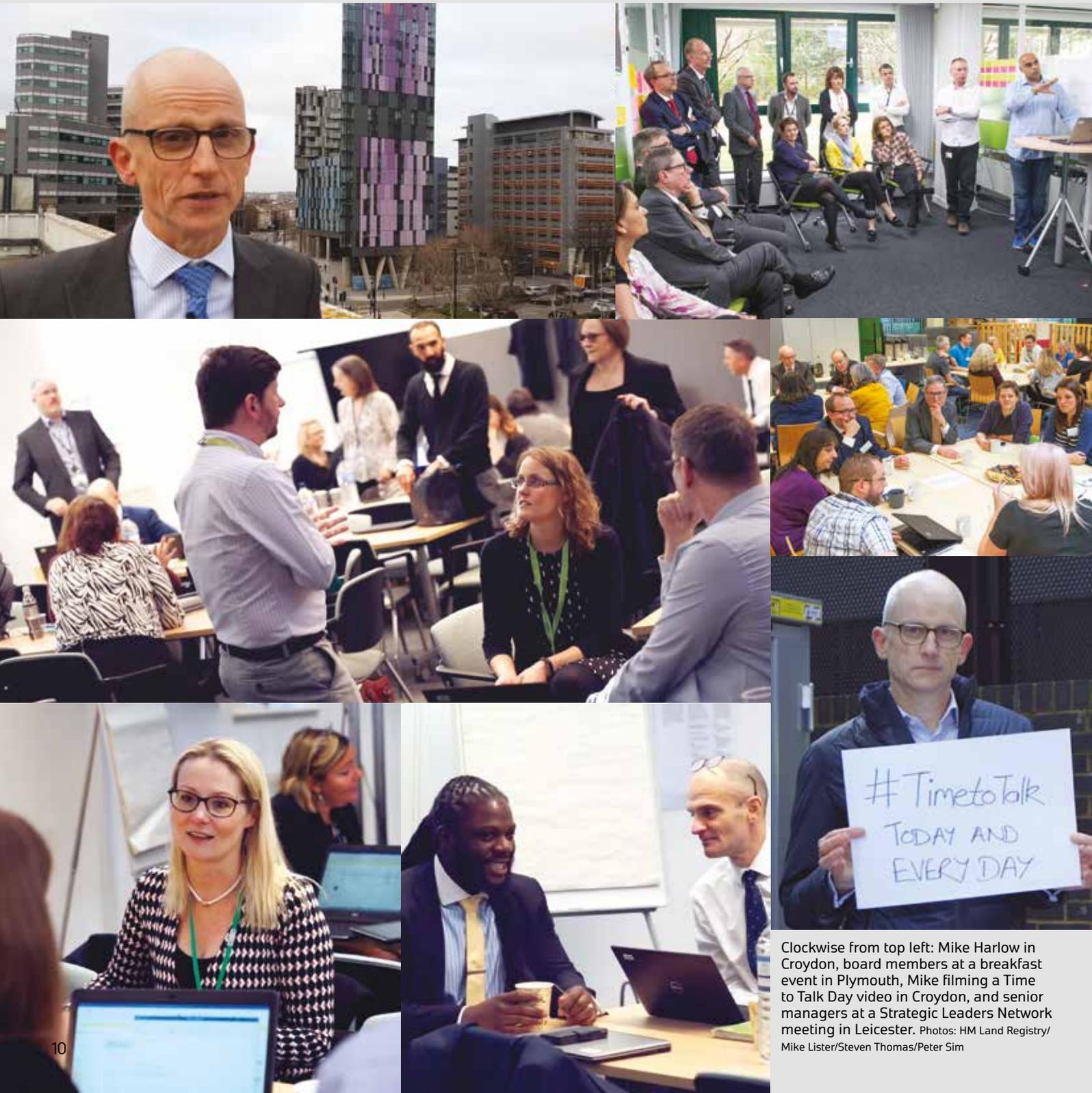
I am both honoured and excited to chair HM Land Registry as our transformation ambitions become a reality. You can read about the programmes of work that will achieve our aims in this Annual Report.



Interview

with **Mike Harlow** Acting Chief Executive and Chief Land Registrar

“Land in England and Wales is our primary resource for life. It provides our homes, our food, a place for our businesses, space for recreation, natural beauty, heritage and our infrastructure.”



Clockwise from top left: Mike Harlow in Croydon, board members at a breakfast event in Plymouth, Mike filming a Time to Talk Day video in Croydon, and senior managers at a Strategic Leaders Network meeting in Leicester. Photos: HM Land Registry/ Mike Lister/Steven Thomas/Peter Sim



MIKE HARLOW Acting Chief Executive and Chief Land Registrar

What has struck you about the organisation since you joined HM Land Registry?

It is a huge privilege and responsibility to be part of the leadership of the organisation at this important time. I have worked in the property industry all my career. For 14 years I was a lawyer in private practice using HM Land Registry's services. I know the trust and confidence that HM Land Registry provides the market through its clear, secure and accurate records. I know that comes from the care and expertise of our experienced colleagues. I know how reliant the country is on the proper functioning of land registration.

What surprised me when I joined HM Land Registry was the true scale of its role. We have this year estimated that the 25.5 million titles in the register covering 86.6% of England and Wales are worth £7 trillion and that more than £1 trillion of debt is secured on them.

Why is the transformation programme so important?

The country's greatest single asset is its land and yet the property market is significantly slower, less well-informed and less efficient than others, such as the share market. New technologies, such as artificial intelligence, machine learning and blockchain, present a great opportunity to allow businesses and people to make faster and better buying decisions and to transact and borrow against land with more confidence, greater ease and lower overall cost.

Land in England and Wales is our primary resource for life. It provides our homes, our food, a place for our businesses, space for recreation, natural beauty, heritage and our infrastructure. The way we enable land to be owned and sold fundamentally affects our social wellbeing, our environment and our prosperity.

Land registration gives people control and flexibility in their ownership of land. It supports housing, mobility, business development and inward investment.

The importance of making the most of this vast and permanent asset right now cannot be overstated.

HM Land Registry has an ambitious strategy to capitalise on the revolution in digital technologies and become the world's leading land registry for speed, simplicity and an open approach to data.

We want to be world leading to enable the property market in England and Wales to be the best it can be. We want to use the latest technology to help the market to be better informed, simpler, faster and cheaper. All the while, we know we must maintain trust and confidence by being brilliant at the basics. This means always continuing to create and maintain a clear and secure record of who owns what.

Are there risks to taking on such an ambitious strategy?

Our primary role of providing accurate and secure records and enabling safe transactions must not be put in peril. We are investing in our risk and assurance framework to bring it in line with best practice. This will ensure we can deliver our transformation confidently and at pace.

We are mindful of the possibility of income volatility in the coming year. We have reviewed our response to the fall in property transactions after the financial crisis in 2007/8 and examined key expert forecasts. We have robust mitigation plans in place aimed at maintaining momentum in our transformation and safe continuity of service.

What are the key areas of focus for an organisation that is undergoing such a significant transformation?

HM Land Registry must hold fast to its core purpose and values that underpin market confidence, while rethinking how services can be provided, starting with digital data and new technologies in mind.

We cannot do this alone, though. Land registration is but a crucial cog in an intricate machine. The way we change what we do must mesh with the other moving parts in the property market. That is why we have focused this annual report on our collaborative approach to transformation.

There are many parties involved in property transactions. They include owners, developers, lenders, agents, lawyers, surveyors, insurers, removers and so on. It is currently a complex process and there are many representative and regulatory bodies in the sector. HM Land Registry is determined to play its role in showing leadership in the industry to drive and catalyse innovation to make conveyancing simpler, faster and cheaper for all.

Our Coventry office Photo: HM Land Registry/Ian Stone



Strategy progress

This year was the second of our transformative five-year strategy, which has six core objectives.



Brilliant at the basics

We are moving to a single national and digital way of doing business. This year we have defined what our new operation looks like. We know the resources it needs and the functional teams it will comprise. We understand the expertise we will need to maintain the integrity of the Land Register. With all the planning complete we are now building the operations function of tomorrow.

Throughout the changes this year we have met all our speed of service targets apart from one. We exceeded our register quality target and met our increased target for customer service. We missed the target for those cases involving new title creation, which was disappointing. These cases represent 7.2% of our workload. We recognise the resource shortages in this area and are executing a plan in the coming year to address it.

We have also been working hard behind the scenes to transform our digital services, which customers will start to see in 2019/20.



World leading through Digital Street

Our Digital Street research and development programme has engaged more than 250 businesses and institutions. Our partners in this virtual community are helping us understand the potential of the property market. They have been steering our work and collaborating on how distributed ledger technology (blockchain) could speed up and secure the property-buying process.

We are also bringing the latest technology to our own processes. We have prototyped new digital services for our colleagues, which included introducing Robotic Process Automation for the first time. We have laid the foundations for a digital future by upgrading our IT infrastructure, developing our digital expertise and preparing to use machine learning to create a truly digital register.



A comprehensive register

Our aim is to complete registration of all residential and commercial land by 2030. Once the register is practically complete, the market will no longer have to deal with the complications of unregistered land. The register data will also be more useful, as service providers will not have to cater for gaps in coverage.

This year we helped to create and publish a list of all unregistered public sector land, meeting our first key milestone. This list will help us work with public sector bodies to identify and register unregistered land. The priority will be those areas with the greatest housing need.



Opening our data

Unlocking the full potential of land in the economy is partly dependent on making land data digital, useable and open. Our data is a cornerstone of a better-informed property market.

HM Land Registry is one of six national geospatial data organisations, collaborating with the Geospatial Commission to establish standards and methods to combine geolocated data. This will improve its usefulness in the property market. It will also provide an important resource for commercial and public services.

Our Geovation programme we run with Ordnance Survey continues to help us understand the true potential of the data we hold. Since October 2017, we have invested £160,000 of grant funding in 14 PropTech companies who have raised more than £6m of third-party investment.



Expert people

We are experts in land registration law and process. Our future success rests on the commitment, integrity and expertise of our colleagues. We want every colleague to feel valued and respected for who they are and how they can contribute to our hugely responsible and ambitious task. We want a diverse workforce with an inclusive culture that has a strong sense of shared values.

This year we exceeded both of our colleague engagement targets with scores now at a record high. Our ongoing work to empower, develop and support our people was recognised with three industry awards this year.

Our new strategic workforce planning model, new recruitment and selection process supported by career and training paths across all key professions are enabling us to attract and nurture some of the best talent across the private and public sector.



Financially strong

All our investment in transformation continues to come from our fee income alone. The Local Land Charges Programme is funded from reserves established from fee income surpluses in previous years. This year we invested £31.8m in transformation (up from £13.8m 2017/18) and £4.3m in building the Local Land Charges Register.

We ended the year with a small retained surplus of £5m.

Our fee structure can be confusing for customers, making it difficult to understand and operate. This year we have laid the ground for a new fee structure to be introduced from April 2020 onwards. The new fees will simplify services and improve our resilience.

Business Strategy 2017-2022

Interview

with Lisa Barrett Chief Executive,
Land Information New Zealand (LINZ)

New Zealand is top of the rankings for ease of doing business in property. How has Land Information New Zealand contributed to that?

A significant contributor to the nation's success has been our digital approach to conveyancing. Our register of two million titles has been truly digital since the early 2000s. Entries to the register can be completed electronically. 'Landonline' is our digital platform on which all the parties to a transaction log their intention to deal with a property.

The lawyers representing the parties individually certify the information provided. On this basis, and following strict business rules agreed by the Registrar, the register can then be automatically updated at the same time as the transaction completes in 87% of cases. A team then audits the register changes to ensure that the rules have been followed and therefore the register retains its accuracy.

Introducing this digital approach reduced costs considerably and increased fraud resilience. Fraud is always a concern to land registries. It continues to be negligible. The speed and convenience is now an accepted part of the overall conveyancing process and a significant contributor to the ease of doing business in property.

What challenges did you face and how did you overcome them?

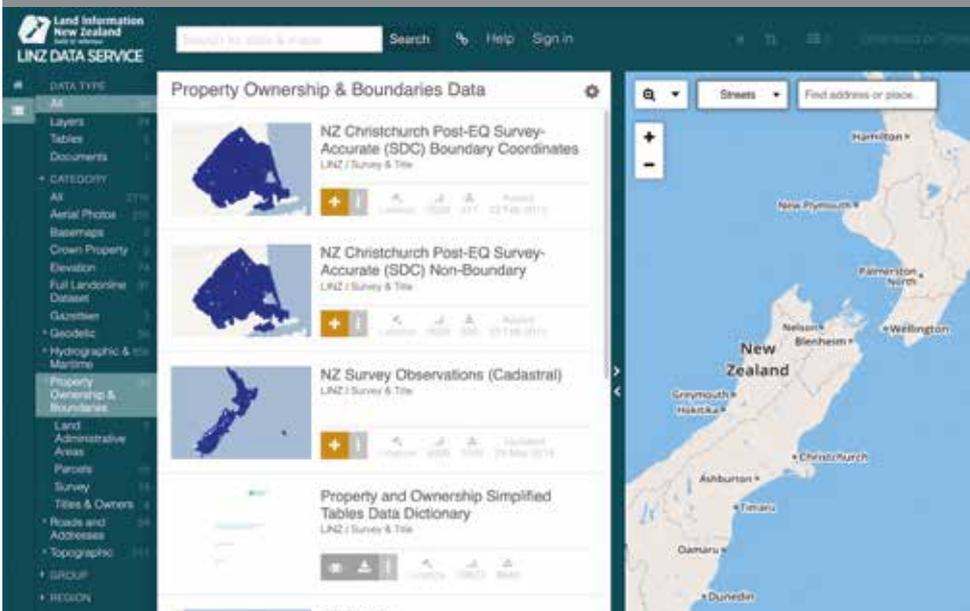
In the 2000s, Landonline was initially voluntary for lawyers. As a sector, they were going through their own digital transformation. LINZ spent considerable time and money on training and educating lawyers, and their staff, in using the system and understanding its benefits to them. As an organisation we also underwent considerable process change, which was a big transformation for staff. The shift was a success due to the partnership with the Law Society, clear communication and a determination to see the changes successfully implemented.

What are your future plans to support the New Zealand property market?

We are putting land data to best use in the economy. We have a cadastral system – where the base map for titles is measured by reference to fixed points on the ground. That layer of data and all the others that LINZ holds are openly available.

We are also working up plans to introduce a network of geospatial data providers, including local authorities. We hope this federated model for combining data will support commercial and public services.

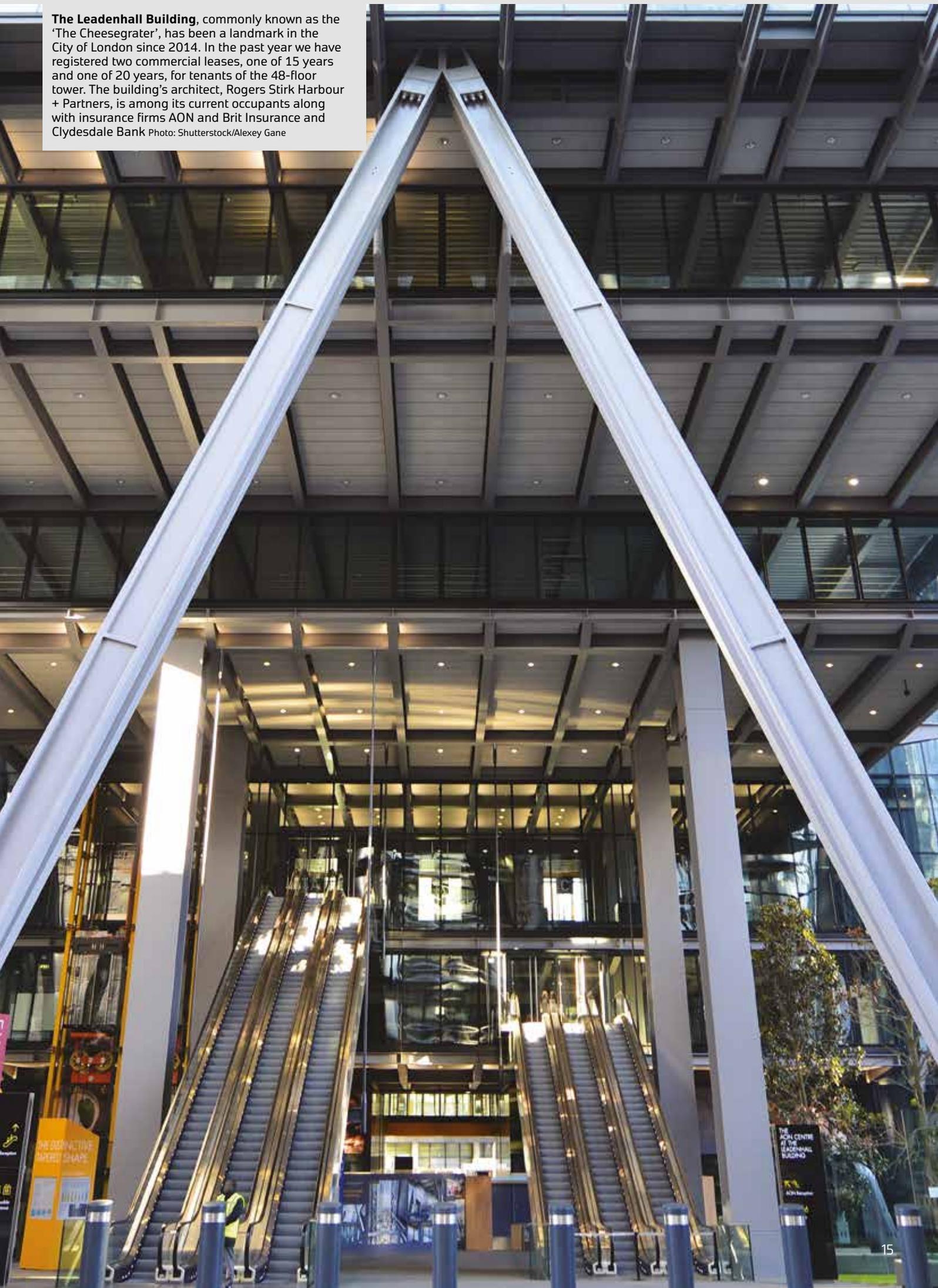
We also need to update Landonline so that it stays world-class and can work with modern-day conveyancing casework systems using APIs (application processing interfaces).



LISA BARRETT Chief Executive, Land Information New Zealand



The Leadenhall Building, commonly known as the 'The Cheesegrater', has been a landmark in the City of London since 2014. In the past year we have registered two commercial leases, one of 15 years and one of 20 years, for tenants of the 48-floor tower. The building's architect, Rogers Stirk Harbour + Partners, is among its current occupants along with insurance firms AON and Brit Insurance and Clydesdale Bank Photo: Shutterstock/Alexey Gane



Director reports

Brilliant at the basics

Chris Pope Chief Operations Officer

“Through our Customer Strategy we will continue to find ways of making the customer experience simpler and faster without compromising quality.”

Birmingham City Council

Our work with local authorities to identify their registration priorities continues, particularly those in the areas of highest housing need. Birmingham City Council has an estimated 36,000 unregistered sites, representing the highest amount of work of any public body in England and Wales. In order to understand Birmingham's needs, and the challenges represented by a project of this size, we have carried out a pilot of 22 sites of varying complexity. This has helped inform how we can assist the authority with both guidance and practical assistance in the preparation and delivery of applications. The city council is currently looking at how best to register the first phase of up to 2,000 sites which it believes are the most important in supporting delivery of its housing and regeneration plans.

Selfridges Birmingham, a contemporary landmark at the city's Bullring

Photo: Shutterstock/Mihai-Bogdan Lazar



CHRIS POPE Chief Operations Officer

The year 2018/19 was one of HM Land Registry's busiest, despite reports of a slowing property market, with over 4m more service requests than in the previous year, making it one of the highest demand periods in the last five years.

We have met that challenge head on by continuing to deliver a great service to more than 13,000 professional customers throughout England and Wales, ensuring the market can operate and thrive. We have met our targets for quality and invested time to help conveyancers improve the quality of information they submit to us.

We have also invested in the transformation of our operations, creating the foundations on which to build a national digital function, as we prepare to restructure our teams under a new operating model.

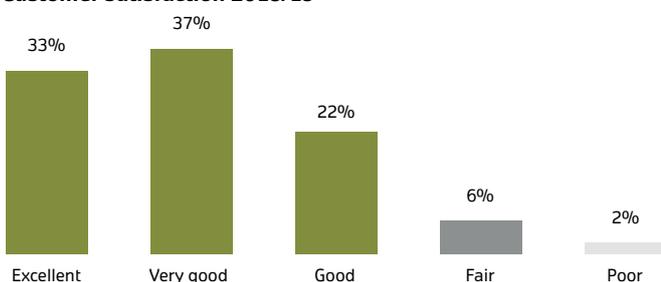
Finally, we continued to make good progress against our ambition to have a comprehensive register by 2030 – finishing the job of ridding the system of unregistered land that started more than 150 years ago.

Delivering a great service to the nation

In 2018/19 we processed more than 36.6 million service requests, through either our automated channels or by one of our more than 3,000 registration experts. We are delighted to have once again met our ambitious customer key performance indicator, with 92% of customers surveyed rating our performance as good, very good or excellent.

We provided a rapid turnaround of searches of the register, updates to existing entries and other more straightforward services which are vital to the everyday smooth running of the market. Registrations of previously unregistered land and registrations of medium and large new-build developments were also completed within our service standard.

Customer satisfaction 2018/19



While turnaround times for the complex business of other new title creation were below service standard, we made significant improvements to our service. For customers who manage complex commercial and infrastructure developments, we have now introduced new tailored services to help them register their interests and inform site acquisition decisions. This will enable the nation's most economically important projects to deliver at pace.

Guaranteeing high quality

We take great pride that for the fifth year in a row we have met our stretching quality targets. We have developed a more stringent measure of quality for the coming year.

Successful land registration relies on both the checks made by our staff, and the certifications given by regulated legal professionals. Every day our registration experts issue more than 3,000 requests for information (requisitions) due to omissions or inaccurate information in applications to change the register. Some are as simple as spelling a name wrong or incorrect fees. Some are entirely justified. Some we could avoid. Others could be avoided by the legal profession. These cost us and our customers unnecessary time and money and they could affect the quality and security of the register.

Collaborating with customers

This year we are poised to introduce smart forms to our online business portal to prevent incorrect entries or missing information and we hosted more than 12,000 customers via our educational webinars. In March we published the data we hold on the number of applications by firms that need further information. These initiatives have contributed to a fall in the rate of requests for information from 19.4% at the end of 2017/18 to 18.9% at the end of 2018/19. The rate per working day has fallen from more than 5,000 at the start of the strategy to just under 3,600. This has resulted in an estimated £214,000 worth of savings for ourselves and will also have resulted in savings for our customers. Reducing these errors and omissions from customers is a trend we will continue to invest in next year.

MILLS & REEVE

Law firm Mills & Reeve LLP joined our pilot Application Management Service in June 2018. The new service aims to make it easier to register complex commercial, retail or infrastructure transactions. We give customers a point of contact and direct access to registration experts. Our experts help identify and address potential issues before they submit their applications. They then manage their registrations throughout the lifecycle.

Experienced caseworker Ben Smith provided Mills & Reeve with dedicated support. He advised on the quality and scale of their transfer plans, leading to successful registration completion.

A Mills & Reeve spokesperson said: "You managed to achieve, in less than one month, what we've been trying to get done for over four years. Having one person to work with throughout who understood what we were doing was invaluable."

Transforming operations

Angie Clarkson, Deputy Director Registration Services

We need to be brilliant at the basics. For more than a century HM Land Registry has based its operations on paper, the post and districts. Today our processes are in part still running with this legacy. Our aim is to move to a single national and digital way of doing business. Over the last 18 months we have grown our operations function by 17.5%, welcoming more than 1,000 new colleagues into our organisation to develop the technical experts of the future.

To become brilliant by design we are introducing a new operational model for a digital future, enabling us to be an expert and resilient organisation that can cope with fluctuations in demand while still delivering a consistently high-quality service to our customers.

Those changes will take time to complete and mature. By 2021 all our registration colleagues will be operating in the new model, meeting our speed of service and quality targets with confidence.



ANGIE CLARKSON Deputy Director Registration Services

UK bank ring fencing: Updating 4 million title entries

In response to the financial crisis, a number of domestic and international reforms to bank regulation were introduced that required lenders to separate their domestic and commercial borrowing portfolios. These vesting orders came into force between 1 April and 13 August 2018.

As a result, millions of our titles containing charges (such as mortgages) required updating with the additional complication that ring fencing requirements meant that lenders with multiple charges on a title might transfer to multiple entities. We estimated that this would have taken over 3,500 case working days to complete manually by our registration experts.

Registration colleagues in Birkenhead worked with our digital experts to create an automated process that would minimise the need for caseworkers to manually process the changes. The new system created a unique ID to address the issue of multiple charges on the same title, thus enabling the automatic completion of changes to individual charges.

More than 2.6 million updates were successfully made over a six-month period and were completed at a rate of approximately 100,000 per week, with less than 1% requiring caseworker intervention.

The Bank of England, responsible for making sure the financial system is safe and sound

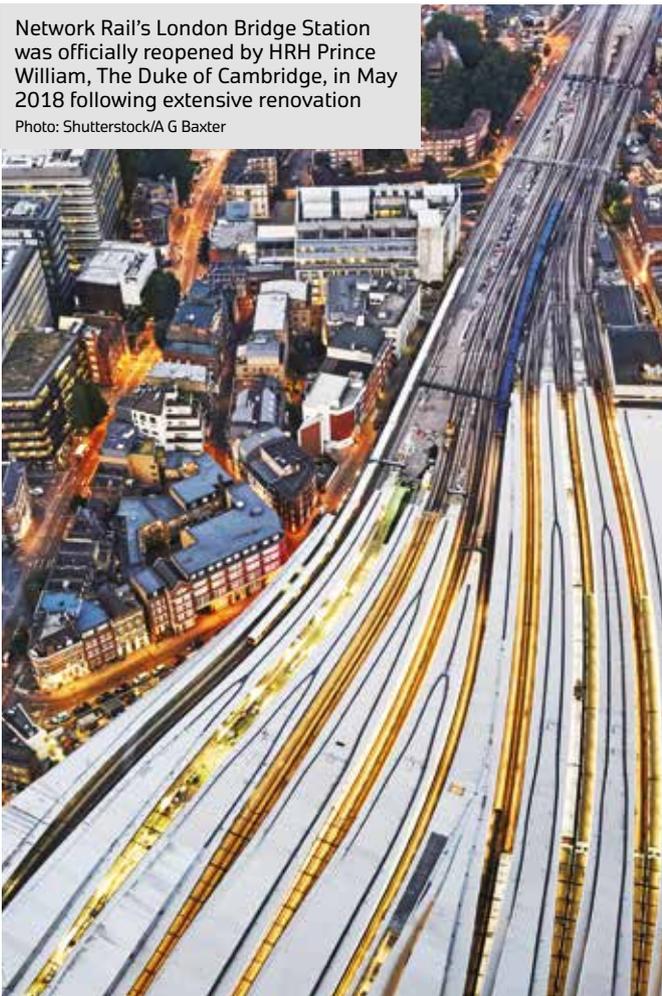
Photo: Shutterstock/Tunpungato





MAGGIE TELFER Deputy Director Register Completion

Network Rail's London Bridge Station was officially reopened by HRH Prince William, The Duke of Cambridge, in May 2018 following extensive renovation
Photo: Shutterstock/A G Baxter



Network Rail

In November 2017 Network Rail announced the sale of their commercial estate in England and Wales made up of around 5,200 properties with an estimated value of £1.46 billion. The majority of the properties are converted railway arches.

We were involved in detailed discussions about the registration requirements to support the sale of their commercial estate which we are now in the process of registering. This has led to further discussions about how to take forward the registration of the whole of Network Rail's infrastructure and estate. We knew that this would be a challenging and complex undertaking, so have been investigating what areas to pilot to inform what our joint approach should be.

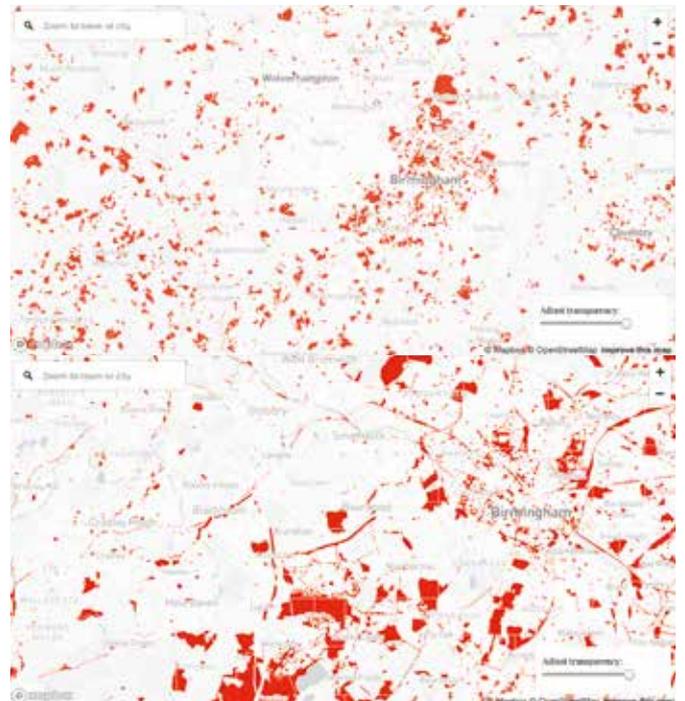
Achieving comprehensive registration Maggie Telfer, Deputy Director Register Completion

Land can serve multiple purposes, for many people, but the owner may not always be clear. That is why, since the first title was created in 1863, there has been an ambition to register the entire land mass of England and Wales.

Today, more than 25.5 million property titles are registered, and in 2018 we reached 86.6% registration of England and Wales. In 2018/19 we completed 108,074 first registrations, which equates to 180,354 hectares of land with a value estimated at more than £19 billion. Comprehensive registration is a vital component of meeting the demands of one of the most highly sought-after property markets in the world. Our aim is to complete the registration of all residential and commercial land by 2030 with a focus on public sector land by 2025.

This year, for the first time, a list of all the unregistered public sector land in England and Wales was published by the Ministry of Housing, Communities and Local Government.

Our expert teams are now working closely with local authorities and public bodies across England and Wales to identify any unregistered property assets and to register them in the most streamlined and cost-effective way.



Who Owns England? drew together a map of unregistered land in England and Wales using our INSPIRE Index Polygons dataset

Nurturing our most valued assets

Jon Cocking Acting Director of Human Resources,
Organisation Development and Corporate
Communications

“Our ambitions rely on having talented people
with the right skills at the right time.”

Chief Financial Officer Iain Banfield
meets colleagues in Plymouth
Photo: HM Land Registry/Mike Lister





JON COCKING Acting Director of Human Resources, Organisation Development and Corporate Communications

We are expert in all aspects of property and land registration law and process. The medieval roots of our system, combined with the limitless variety of ways people put land rights together, makes for a highly complex system. We have to remain experts in all those dimensions.

That is why people remain at the heart of our plans to transform HM Land Registry. We are now in the second year of delivering our People Strategy which focuses on building a world class organisation by developing and recruiting talented people, empowering our experts and developing a winning culture through better leadership and communication, and also creating an inclusive environment by supporting and nurturing communities both inside and outside the organisation.

Working with colleagues, their representatives and a range of external partners, our people are beginning to see and feel a real difference in the shape, culture and purpose of the organisation.

Building a world-leading land registry

Our ambitions rely on having talented people with the right skills at the right time.

Our new strategic workforce planning tool allows us to match resource needs to the work profile to make more accurate resourcing decisions and develop better tactical recruitment plans.

This year we replaced our recruitment and selection processes with a more open, fairer and inclusive approach which places emphasis on the candidate fit with the role, based on a holistic view of their experience, skills, behaviours and strengths. With career and training paths across all key professions, running from entry level through to senior management, we are attracting and nurturing some of the best talent across the public and private sectors.

Our industry-leading apprenticeship programmes won wide appreciation. The scale and ambition of our main apprenticeship programme were recognised by Personnel Today's Excellence in Public Service Award and the Learning & Performance Institute's

Digital communities of practice

We have established a community of practice for each of the professions within Digital, Data and Technology. There are 15 in total with examples including software engineering, data science and product management. Each community takes responsibility for growing the capability of their practice to help make sure our people are equipped with the right skills and experience to succeed and are supported to develop their careers. Alongside this we have grown the Digital, Data and Technology directorate by 10% and formed strong relationships with private sector delivery partners. This has brought vital new skills and experience into the organisation.

Joe Honywill, Senior Designer

"I might be the only designer on a team but members of the community of practice are always nearby. If I need a sounding board, someone from the community will be available. If I need a second opinion, someone from the community will be happy to give me one. If a problem has me stumped, someone from the community will help me approach things from a different angle. The community of practice is my work family."

Angharad Lewis, Head of Practice

"Having a community of practice has meant that it's been much easier to get people to work together on building capabilities for the whole community – we're making change happen collectively, instead of having change happen to us. For instance, we've set up working groups which drive the community's activities on things like revamping consent forms and the storing and sharing of research. Most valuably, we're working with user research colleagues who sometimes we hadn't even met a few months ago, who have great knowledge, experience and insights to share. Without a formalised community, it probably wouldn't have happened."



Digital, data and technology experts at a problem-solving session in Plymouth Photo: HM Land Registry

Apprenticeship Programme of the Year. Since September 2014, 553 apprentices have joined HM Land Registry, with a 92% completion rate and 76% retention rate.

Our future development approaches will focus on digital, complex registration, change and project management skills alongside specialist financial and commercial awareness. We will continue to develop world-leading programmes and approaches to support them.

Empowering our expert people

We are committed to exemplifying a diverse workforce and an inclusive culture where colleagues feel valued for who they are and what they do. Everyone should feel connected to the aspirations of the organisation, its values and each other.

We aimed for our engagement index score to be in the top half of organisations of similar size and nature. We finished in the top quartile.



Senior Product Manager Lauren Tombs explains a point to Deputy Director of Digital Services Eddie Davies
Photo: HM Land Registry/Mike Lister

We also aimed for our Leadership and Managing change scores to be 10% higher than our 2016 scores. We finished 12% higher with scores for 'clear vision' benchmarked as one of the highest performing across the whole Civil Service.

Our gains were achieved through a range of people initiatives, such as a comprehensive programme of leadership and management training which included a series of masterclasses for our senior leaders focusing on key leadership expectations. We also ran workshops across England and Wales involving more than 600 colleagues from every part of the business, who collectively helped develop what our future culture would look and feel like, and what behaviours would be needed to enable change.

A critical component has been employee communication. Our innovative and inclusive approach to internal communication gained us national recognition. We were honoured to be finalists for the Employee Engagement Awards 2018 and winners at the UK Employee Experience Awards 2019. In 2019/20 we are excited to launch our future culture initiatives as part of our ongoing journey to be one of the best employers in government.

Supporting health and wellbeing

Our colleagues' voices have been heard loud and clear through the 17,000 comments left underneath 600 blogs and articles published on our intranet. They have enabled reaction, clarification and idea sharing. A healthy dialogue has flourished with the Chief Executive and other senior leaders.

Over the last year, we have published blogs to raise awareness of mental health issues and support a diverse and inclusive workplace culture.

We communicate personal stories to encourage colleagues to find confidence in themselves and their abilities, regardless of ethnicity, religion, sexuality, gender, disability, age or mental health status.

Liam Cawley wrote honestly and openly about his experiences with dyslexia and dyspraxia as part of an ongoing health and wellbeing campaign. The response to the article was overwhelmingly positive and has encouraged others to come forward and talk about their own experiences with neurodivergence and mental health issues.

The author received commendation and support from colleagues across the organisation. Angie Bird of Peterborough Office commented: "The more we are aware [of dyspraxia], the more we can do to help, to not judge and to appreciate the skills that every individual brings to work with them."

HM Land Registry intranet

How do I News and blogs HR About us

Home > Blog posts > Neurodiversity and me



Neurodiversity and me

4 February 2019

HM Land Registry intranet

How do I News and blogs HR About us

Home > News and blogs > News > It's different for girls...



Rebecca (R) and her family

It's different for girls...

3 April 2019

Caring for our communities

Contributing to charitable causes that benefit local communities has always been part of our history and will continue to be part of our part of the moral and social fabric of our future culture too.

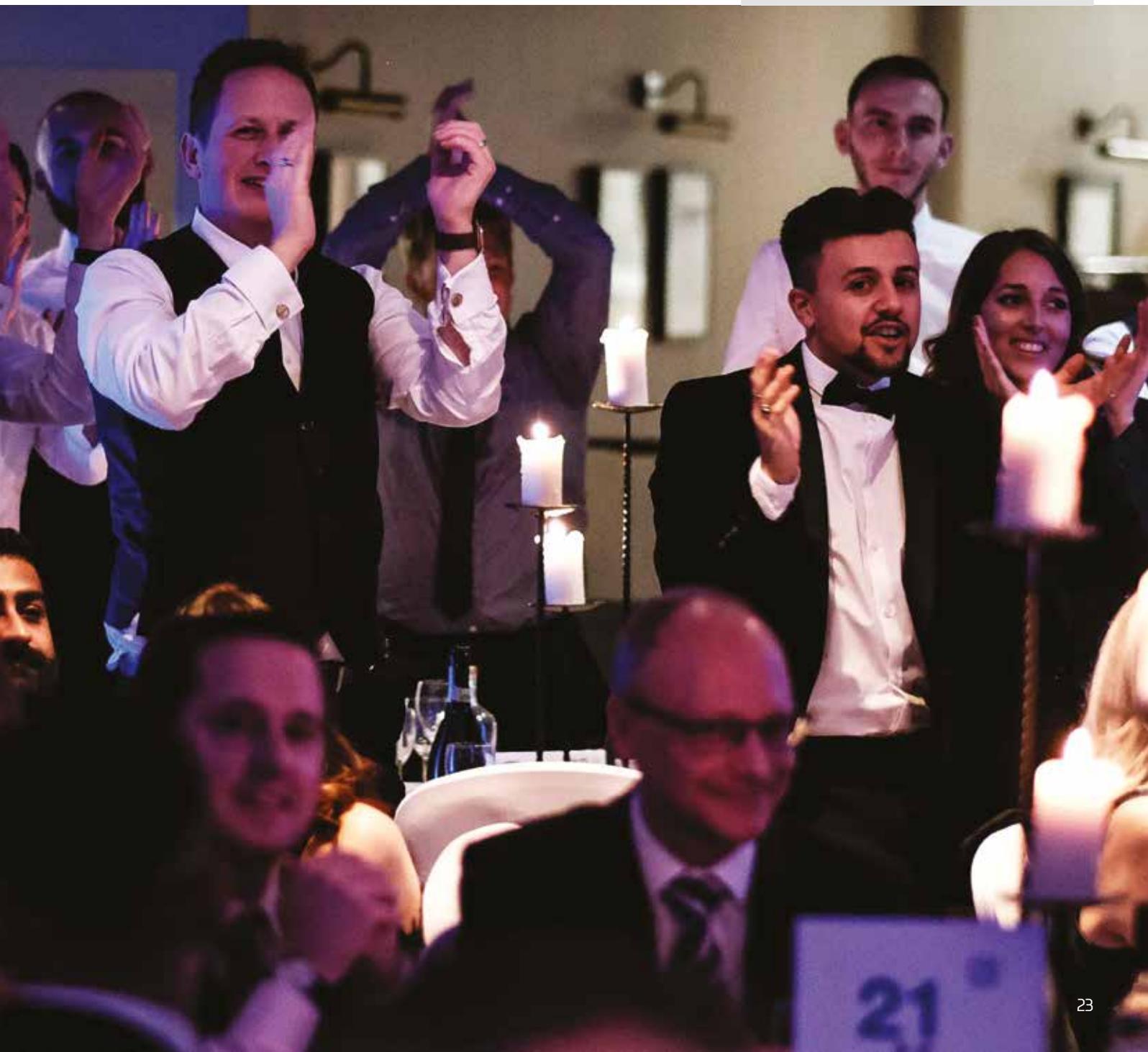
Our colleagues have taken part in a range of activities and events and in the last year raised more than £77,000 in support of local and national charitable causes and over £17,000 worth of non-cash donations such as blankets, food and toys.

Our commitment to work alongside other charitable committees has meant continued and sustained support for national initiatives such as International Women's Day and Mental Health Awareness, as well as causes such as bereavement, animal welfare, cancer awareness, homelessness and lifesaving.

We also focus on creating a sense of community for our people too. Bringing colleagues together outside of work has always been an important part of life in HM Land Registry. As chair of our LR Leisure Committee I am proud of the passion and enthusiasm of volunteers who coordinate activities at both a national and local level through the year. Thanks to their hard work and commitment, we offer a diverse range of activities open to all colleagues to relax socially together or compete in sporting and other events – all contributing to their overall health and wellbeing.

For me the highlight of the year is always our LR Leisure Awards. Our annual gala event celebrates colleagues who have gone above and beyond to make a real difference to their work and local community alongside colleagues who have given 40 years of loyal service to HM Land Registry.

Applause for a successful colleague at the annual LR Leisure Awards, held this year in York
Photo: HM Land Registry/Jon Olliffe



Safeguarding the property market

Robin Malpas Acting Deputy Chief Land Registrar
and **Mike Westcott-Rudd** Board Legal Adviser
and Head of Corporate Legal Services

“We also continue to shape the legal landscape for the future.”

New-build homes in the Berkshire countryside near Reading. We are exploring how we can improve the way we approve and register new-build estates and subsequent plot sales. We are looking into how we can use spatial data to help create, and possibly automate, title plans. Currently we are working with developers to explore options which will deliver benefits both to them and us. Our aim is to reuse customer data and avoid unnecessary duplication, where possible, and reduce registration time through automation

Photo: HM Land Registry/Ian Stone





ROBIN MALPAS Acting Deputy Chief Land Registrar

Land registration law is intricate and technical, often surfacing difficult and unique legal challenges. Our lawyers are highly sought after to provide specialist advice both to colleagues and to our partners in the property sector.

Our lawyers advised on nearly 50,000 complex, sensitive and contentious land registration issues, an increase of 4,500 on the previous year. They considered 8,900 applications where objections had been received. More than 1,000 were referred to an independent tribunal when the parties could not settle their dispute. This included a digital referral pilot to speed up the process. In many cases our lawyers were able to help resolve property disputes by agreement, saving time and legal costs.

We are not only helping to settle disputes and dealing with complex land registration applications. We also continue to shape the legal landscape for the future. Our specialists have been working to support government-led initiatives and reforms which will improve the home buying and selling processes. These include tackling unfair practices in the leasehold market and providing greater transparency of ownership of property in England and Wales by overseas entities.

The integrity of the register remains central to all we do. We have started a programme of work aimed at widening the register quality checkpoints we assess. We are also advising on data-sharing arrangements across government and working with the police to secure convictions.

Cross-government data sharing

Sharing our data with HM Revenue and Customs (HMRC) supports our plans for better data sharing across government for the purposes of supporting development, ensuring financial stability, tax collection, law enforcement and the protection of national security.

We have collaborated with HMRC since 2013. Our data has contributed to significant increases in tax recovery. We are now in discussions regarding the extension of shared data in relation to additional HMRC activity on wider counter-fraud investigations.



HM Revenue and Customs' headquarters on Parliament Street in Westminster Photo: Nui7711/Dreamstime.com

Promoting transparency

Following the release of the Panama Papers the public demand to know the people that benefit from holding property in corporations that are vested overseas is growing.

The release of our own overseas companies dataset in 2018 is contributing to the government response to that demand. We have also been working with the Department for BEIS as it shapes and brings forward new legislation that aims to bring greater transparency to the beneficial ownership of UK property-owning overseas bodies. Working collaboratively on the draft Registration of Overseas Entities Bill has involved legal and other experts from HM Land Registry, Companies House and other land registries alongside the department's Bill team.



Chief Operations Officer Chris Pope speaks at a meeting of the Draft Registration of Overseas Entities Bill Committee

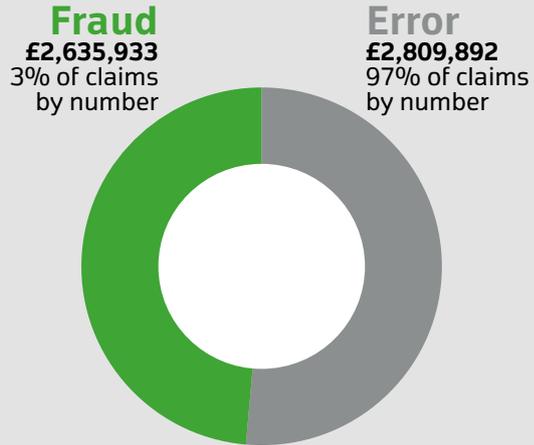
Photo: Parliamentlive.tv



MIKE WESTCOTT-RUDD Board Legal Adviser and Head of Corporate Legal Services

Claims against the guarantee

2017/18



Simplifying fees

One of our most common requests for information is to check the accuracy of the fee. This costs us and our customers time and money. With more than 74,000 of these requests made this year alone, we know the fee structure can be complicated for our customers.

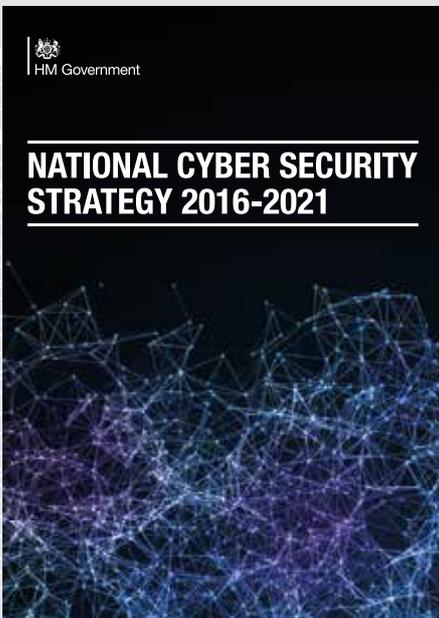
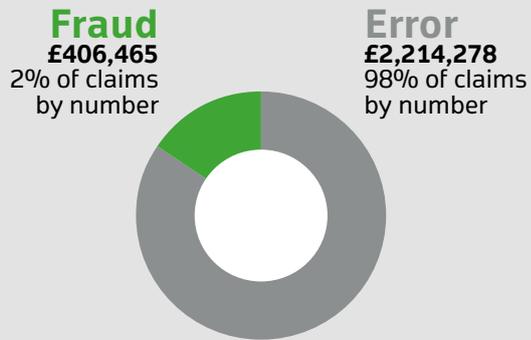
We are now embarking on a simplification of our fees. During the year we have secured the support of key government and industry stakeholders enabling us to publicly consult on our proposals in 2019/20.

The Government’s cyber plans

Our registers are part of the nation’s critical national infrastructure and so demand the highest levels of security. As our services become more digital and cyber threats more sophisticated, we must ensure our data remains secure.

The Cabinet Office-led cross-governmental improvement programme *Transforming Government Security* is introducing centres of excellence for expert security provision. We are an early adopter of this innovative and collaborative approach and we are also advised and tested by the National Cyber Security Centre.

2018/19



Award-winning apprenticeship programmes

Our 120 specialist lawyers work across our 14 offices. We continue to invest in their recruitment and training to ensure we have the best property and registration law experts in the country.

The Guardian Public Service Awards recognised our partnership with the Chartered Institute of Legal Executives (CILEX) to design a bespoke two-year apprenticeship in paralegal and chartered legal apprenticeships as an exemplar of providing entry level qualifications for existing colleagues. The two pilot schemes offer structured and progressive work-based training combined with external legal qualifications.



Nicola Housley

Nicola Housley of Leicester Office said: "I completed my law degree back in the day and for 13 years worked for Leicestershire Police. I was lucky enough to be selected for the apprenticeship and I'm really enjoying the course and the training. It's amazing to think I can now qualify as a lawyer thanks to external training, and I hope to eventually obtain a position as a lawyer here."



Freezing assets to combat suspected crimes

HM Land Registry plays an important role in securing property which law enforcement agencies suspect of having been obtained through illegitimate means. Law enforcement agencies are able to obtain freezing orders to prevent a suspect disposing of assets while an investigation is underway. The agencies can apply to HM Land Registry for an entry to be made in the property's register which will prevent the registration of any transactions affecting those properties unless a further order of the court has been made or the relevant agency consents.

Since 31 January 2018, the National Crime Agency (NCA) and other enforcement agencies have had the additional power to apply for an Unexplained Wealth Order (UWO) against certain assets connected to an individual suspected of involvement in serious crime. In February 2018, the High Court issued the first UWO against assets connected to Zamira Hajiyeva, the wife of an Azerbaijani banker. The UWO was supported by a freezing order against a house in Knightsbridge and a golf club in Berkshire, registered in the name of different foreign companies. The NCA then applied to HM Land Registry for an entry to be made in the registered title for the properties preventing their disposal while their investigation was taking place. Ange Woodhouse, a registration expert at our Telford office, entered a restriction in the registers for the properties and then notified the affected owner, effectively securing the property until the NCA completes their investigation.

Photo: Artifex Lucis/Alamy Stock Photo



Our trophies for Apprenticeship Programme of the Year in The Learning Awards 2019, the Learning and Development Award at the Guardian Public Service Awards 2018 and the Excellence in Public Service HR Award at the Personnel Today Awards 2018

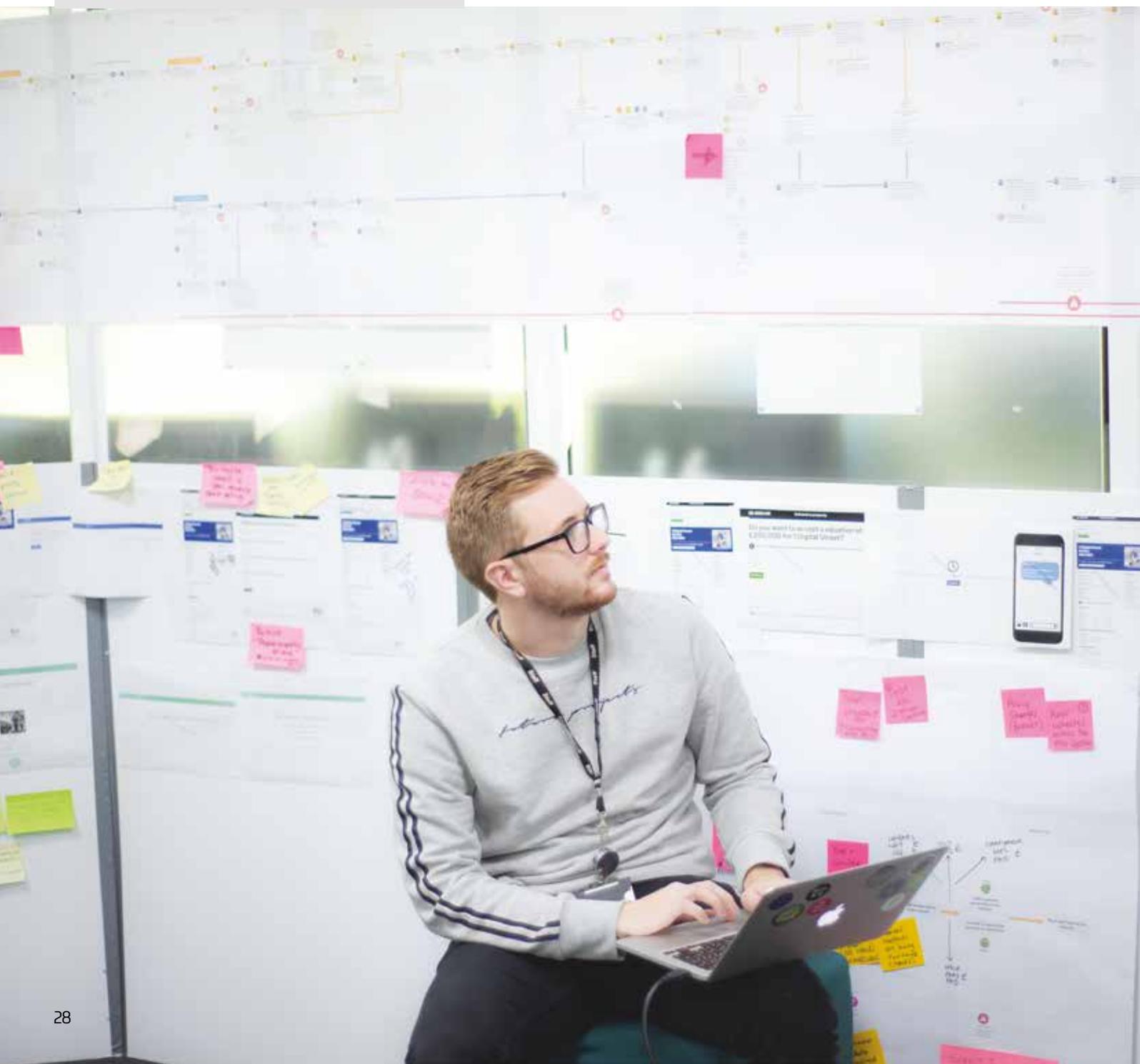
Photo: HM Land Registry/Ian Stone

Designing our digital future

John Abbott Director of Digital, Data and Technology

“By digitising the way we process applications we can work faster and make our customers’ lives easier.”

Senior Software Developer Matt Girdler, part of the team working on Digital Street Photo: HM Land Registry/Mike Lister





JOHN ABBOTT Director of Digital, Data and Technology

It has been a busy year for HM Land Registry's digital projects as the pace of our digital transformation increases. We have worked hard to improve our services for our customers and our colleagues, to lay the necessary foundations for our digital future and also enabling innovation to look at the land and property market of the future.

Exploring the future of the land and property market

This year, our groundbreaking research and development programme Digital Street successfully simulated the digital transfer of a real property.

We took an existing house sale and worked in parallel with the buyer, seller, conveyancers and bank to simulate that exact transfer digitally. We then used blockchain technology to securely record the transfer.

Working with the market has been key to that success, with more than 250 organisations engaged in our Digital Street research including Royal Bank of Scotland, IBM, the Law Society and HMRC alongside a wide mix of conveyancers, lenders, PropTech (property technology) start-ups, industry bodies and other government departments. All the members are helping to determine the future direction of the project and to explore and test our hypotheses on how best to use a range of new technology.

We proudly presented our work to an interested audience at the World Bank conference, sharing the lessons we learned and securing interest with other land registries who are experimenting with blockchain projects to work with us to find the best use for the new technology.



Another link in the blockchain

We have successfully prototyped the first digital transfer of property in the UK utilising blockchain, giving simultaneous visibility across multi-party transactional data. The prototype ran a real transfer of a semi-detached house in Gillingham, Kent, alongside the conventional paper-based process, to demonstrate a digital transfer. This provided greater clarity and efficiency for everyone involved, with each stage of the sale being open for all to view, and automatically completed once all the conditions for the sale were met.

Our prototype then automatically sent a notice to update the register. We worked with conveyancers Mishcon de Reya and Premier Property Lawyers, digital identity provider Yoti, payment specialist ShieldPay and HMRC, all members of our Digital Street community, to help

design a complex and fully integrated system which made all aspects of the real-world transaction simpler, faster and cheaper for all parties.

Nick West, Chief Strategy Officer at Mishcon de Reya, said:

"It is clear that, as it stands currently, real estate transactions are too slow. What's exciting here is that this is a real-world application of blockchain technology in our legal market. If we can turn this proof of concept into reality it will be of significant benefit to anyone buying or selling real estate assets in the UK."

Stefan Godden, the seller of the house in Gillingham who took part in the trial, commented:

"It was really straightforward. It shows how technology like this can help make everything so much quicker and you can see clearly what's happening at every stage. If this is the way forward, it's going to make everything easier."



Title



ID verification



Funds



Updated title



Blockchain

Crafting digital foundations

Like any organisation that has existed for more than a century, our underlying data and technology infrastructure needs significant investment in order to meet our lofty aspirations. Historically, the Land Register has been a paper-based catalogue. In more recent years those paper records have become increasingly electronic but not truly digital. In order to realise fully the potential of this extraordinary national resource, we need a digital register that is accessible, available and interrogable.

We have explored the use of machine learning and advanced optical recognition tools that can assist

Women in IT

Rachel Jones is HM Land Registry's Head of IT Operations, managing around 130 people. Rachel oversees projects to introduce a greater level of automation while supporting existing casework systems, and has reduced overall operating costs. She also established HM Land Registry's Women's Network and has built strong relationships inside and outside of government. Her hard work throughout the year was recognised by the Women in IT Awards, as she was on the shortlist for CIO of the Year. Alongside Lauren Tombs, who manages the Digital Street research project, she was highlighted by the awards as a role model for women in the IT sector.

Their achievements this year reflect the great work and dedication shown across the Digital, Data and Technology teams.

in quickly digesting complex legal documents. The next stage of development will see priority datasets migrated from their current format to a new digital register. This will improve our ability to automate application processes and pave the way for remaining data to be added.

With this in mind we have also delivered a new underpinning IT infrastructure platform which enables our teams to develop software rapidly while reducing the costs of our IT estate. This new platform will replace the majority of our existing IT infrastructure and we have already migrated around 4m lines of code from our IBM mainframe saving almost £1m each year as a result.

But the danger for us would be to focus purely on technology. To develop our digital expertise we have invested in our colleagues to develop our skills, capabilities and ways of working. This investment in our people has enabled us to sustain the pace of our ambitious transformation programme but has also been recognised by colleagues across the industry. In particular we were very proud of our colleagues who received Women in IT award nominations and delighted to win two Real IT Awards this year.

Improving the experience

While our research into emerging technologies prepares us for the future, we know there are things we can do now to improve the services we provide.

Our registration experts process more than 20,000 applications every day. While the systems they currently use get the job done, we know they need to be improved. This myriad of systems will be replaced with a single, unified interface designed around the needs of our colleagues and customers.

We have already developed and tested a prototype system that our colleagues will be using to process applications early in 2019/20. The new system offers the opportunity to completely automate simpler requests and make even the most complex of our applications more straightforward.

Robotic Process Automation

We have also started using Robotic Process Automation for some of the more straightforward tasks, such as sending reminder letters. Together these digital tools enable our registration experts to focus their time on the more complicated land registration matters that need their expertise. By digitising the way we process applications we can work faster and make our customers' lives easier.

We have been conducting user research with customers to improve our online business portal. The portal is our key browser-based channel for customers to search the Land Register and submit applications, with 32.3m requests received via this channel in 2018/19.

This year we developed a new service that will make the process of applying to update the register simpler for customers. It will also reduce errors and generate high quality data. We are on track to deliver this new service in the first quarter of 2019/20 with further enhancements to follow throughout the year.



Lauren Tombs and Rachel Jones have been recognised for their work in IT

Photo:HM Land Registry

Portal refresh

Work is underway to refresh our online business portal, our most used transactional channel for conveyancers and property professionals. This year we have spoken to those who use the service and will soon start work on improving guidance, navigation and task management. We will introduce a new way for users to make an application to change the register (currently known as an AP1 form) in the first three months of 2019/20, utilising online forms that allow clear guidance and checking applications for errors before they are submitted.

We have chosen the AP1 form as most of the applications submitted to us include an AP1 form. The form details fundamental information relating to the cases, with the necessary details about the property, the buyer or seller and who should be notified and how.

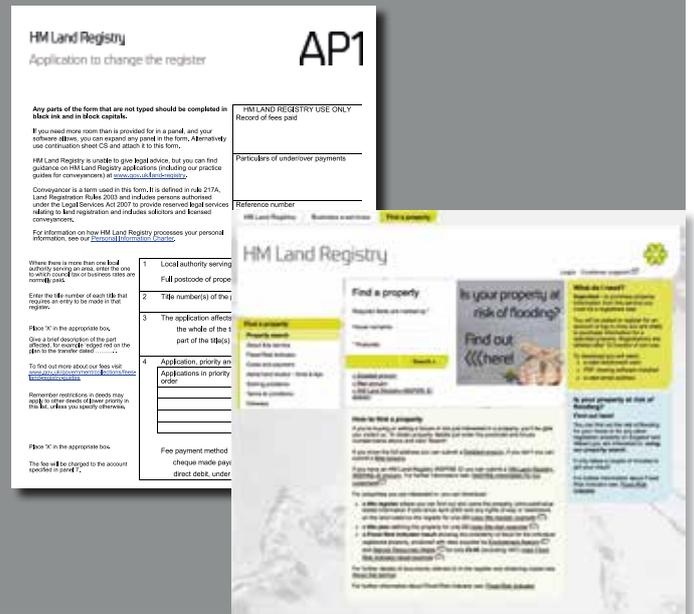
By starting with this form we will reduce errors in the most commonly submitted information, allowing caseworkers to devote their time to complex applications instead of having correct simple and avoidable errors. This new approach will also help us standardise the information we receive, for example names and addresses will always be submitted in the same format, paving the way for faster casework systems.

Jemma Rawle, Head of Residential Conveyancing and Associate at Foot Anstey in Taunton said:

“I think that’s where the value is coming in for us. The step-by-step process is more user friendly than the form. It’s clearer. It’s definitely a step forward from what we’ve got at the moment.”

Gareth Richards of Convey Law said:

“We are delighted that HMLR are asking customers to assist on their portal refresh project and that they are committed to making the application process smoother and more user friendly for the customer. We can’t wait to see the updated version of the portal.”



Using robots to speed up our processes

We have skilled workers completing simple, repetitive tasks using several overlapping systems. Robotic Process Automation is software that can be programmed to perform such tasks using existing systems. This will help us in the short term while we develop our new, holistic casework system. This year

we started one robot on the laborious job of sending out around 1,000 reminder letters every day. This first robot (affectionally called ‘Reggie’) was able to free up five caseworkers, allowing us to redeploy them to other casework that required their attention.

After this successful initial testing we have invested in a further five robots to increase the efficiency savings thus far and explore what other simple administration tasks they can handle.

Digital mortgage

Use of our ‘Sign your mortgage deed’ service has continued to grow over the year. The digital service enables a paperless end-to-end remortgage application and approval process. Eighteen mortgage lenders including Nationwide, HSBC, NatWest and Santander have signed up. Our work reflects the increasing use of digital signatures and online mortgage applications in the mortgage market. Customers from NatWest were among the first to use the service.

Dan Salmons, NatWest Director of Mortgage Innovation, said:

“Being able to offer a completely paperless remortgage journey is a huge step forward. It’s fantastic that the HMLR is being progressive in this area, offering complementary digital solutions that make those important life moments as seamless as possible for our customers.”



Unlocking geospatial horizons

Andrew Trigg Chief Geospatial and Data Officer

“Data analytics will radically change how we live and how markets operate.”

David Heyman, Managing Director of Axis Maps, used our Price Paid Data create an interactive map showing house price changes in England and Wales from 2010 to 2018



House Prices: 2010 to Present

This map shows changing house prices from 2010 to present by postcode. It looks at changing sale prices for individual properties, instead of changing median price for all properties in the postcode.

To calculate the value for each postcode, we looked at the earliest sale from 2010-2013 and the most recent sale from 2014-Present for each properties. For properties that had at least one sale in each time period, we subtracted the prices to get the difference. We then took the median difference for each postcode for the map.

Change in Sale Price

- 10%+ Loss
- 5% Loss
- No Change
- 50% Gain
- 100%+ Gain

Filter Data

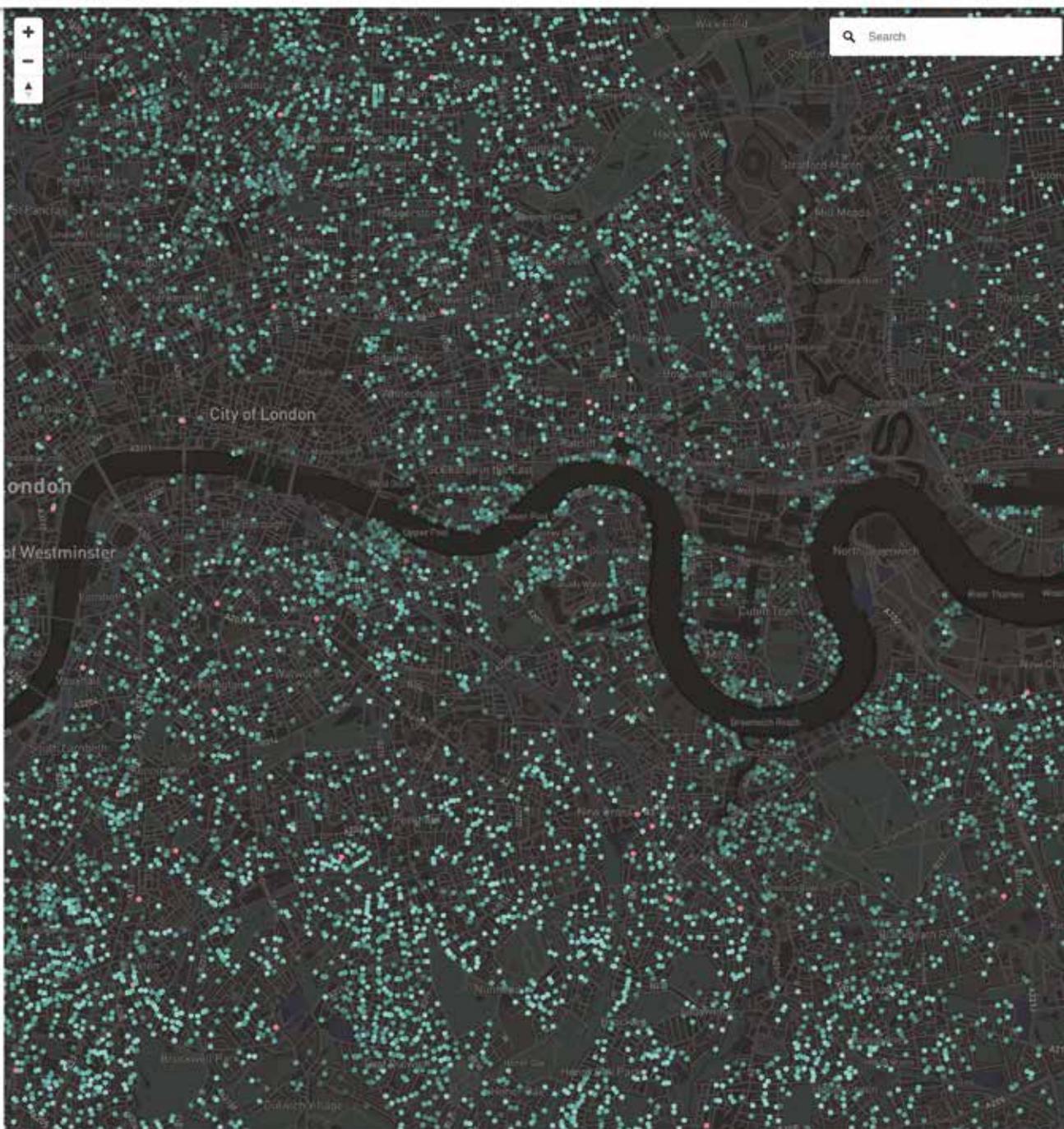
Price Difference



House Price 2010 - 2013



House Price 2014 - Present





ANDREW TRIGG Chief Geospatial and Data Officer

Geospatial data is estimated to be worth around £11 billion, according to research carried out this year by the Boston Consulting Group on behalf of the Cabinet Office. HM Land Registry holds some of the UK's most valuable property data and our ambition is to become world leading in the way in which we allow our data to contribute to those potential gains.

Our registers describe land and property worth £7 trillion. So we know that if we enable best use of that data, the potential for the growing proptech industry to create radical change in the way services are provided and markets operate is very big indeed.

We are playing a central role with the Geospatial Commission in unlocking the potential of the nation's geospatial data. We have prepared and released new datasets that will unlock further value to the economy. We are also learning from the new challengers in the marketplace as to what uses the data could be put to. We have welcomed our third new cohort of proptech innovators and entrepreneurs onto our ground breaking incubator programme called Geovation.

By partnering with other bodies, creating growth opportunities for innovators and releasing more data, we continue to take a leading role in not just underpinning our economy, but helping it to thrive and grow as part of a new digital revolution.

Unlocking the value of the nation's land data

The Cabinet Office established the Geospatial Commission in 2018 to shape and deliver the UK's Geospatial Data Strategy to promote better use of geospatial data.

The commission identified us as a key partner body, alongside five other national holders of important data: Ordnance Survey, the British Geological Survey, the Valuation Office Agency, the UK Hydrographic Office and the Coal Authority. We are collectively known as the 'Geo6'.

The Geo6 have focused this year on how we can practically unlock the value in the data we collectively hold. We have already delivered a harmonised Data Exploration Licence, a joint Data Catalogue and developed proposals for further linking of data content.

A trusted source of national house price information

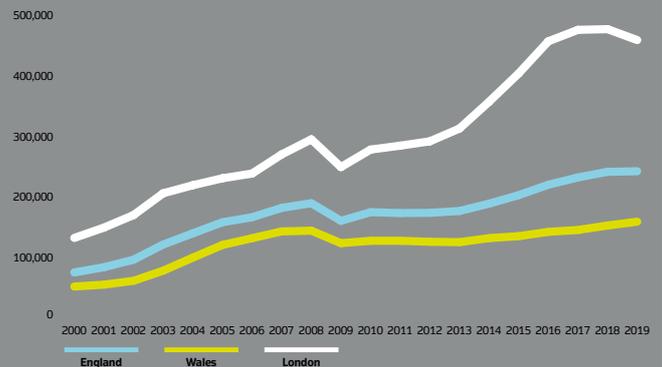
The UK House Price Index is a vital economic indicator, produced in collaboration with Land and Property Services Northern Ireland, the Office for National Statistics and Registers of Scotland.

In September 2018 the Office for Statistics Regulation identified the index as a National Statistic. This recognises the index as meeting the highest standards of trustworthiness, quality and value, as defined in the Code of Practice for Statistics. In February the Bank of England announced the index to be their preferred measure of house price inflation.

Ed Humpherson, Director General for Regulation at the Office for Statistics Regulation, said:

"The assessment team has been impressed by the commitment shown by the UK House Price Index working group and the collaborative approach taken to introduce a range of improvements in response to our assessment. This approach has ensured that the index is produced in a way that maximises its public value and gives users confidence."

Average residential property prices



Croydon Office registration expert Ian Thomas (seated) briefs Geospatial Commission Chair Sir Andrew Dilnot (fifth from right) while (from left) Mike Harlow, commission Head of Public Sector Geospatial Policy Jamie Clark, John Abbott, Andrew Trigg and commission Secretariat and Policy Officer Ellen Bentley look on

We have contributed to the Geospatial Commission's strategic thinking and plans.

These will help make the most of the opportunities presented by the geospatial data we and others hold and will also help to provide a foundation for a new national geospatial infrastructure.

New data releases

The value of the datasets we released last year continue to demonstrate their impact as corporate ownership of land and property remains an area of considerable public interest. We have conducted research with a range of stakeholders to develop a roadmap that prioritises the publication of the datasets that matter most to them – that will drive better and different public and market services.

In March we released data on the requests for information (requisitions) dataset which provides details of the number of requests we have to send out for further evidence in support of applications. It covers our top 500 customers. We wanted our customers to see the variation in numbers of requisitions we have to raise before completing applications to change the register. Reducing the numbers of requisitions will improve the time taken to complete an application.

Next year we will release a number of key datasets that our users tell us will continue to disrupt and positively impact the property market and the economy more generally:

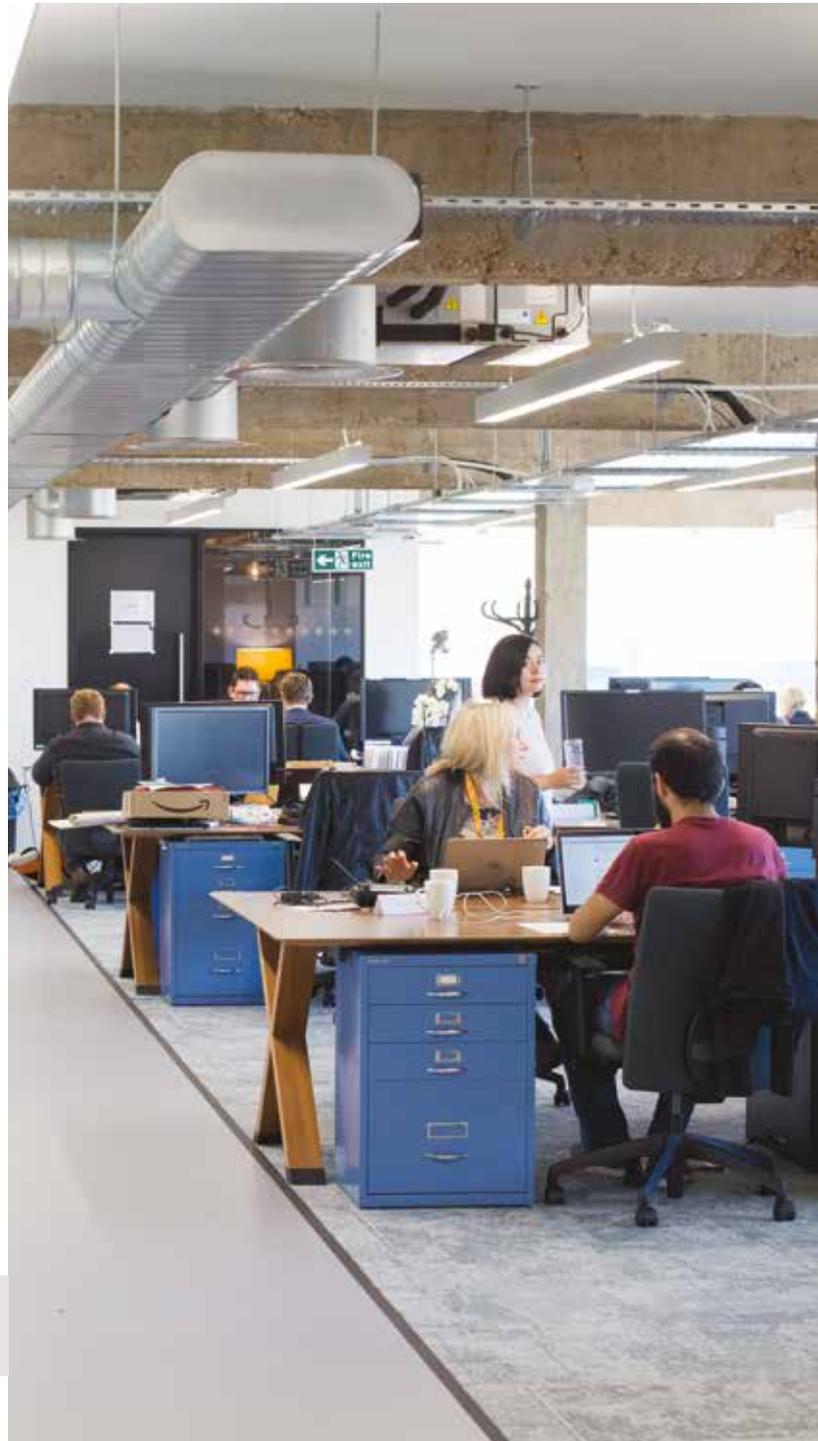
- registered leases dataset – providing details registered leasehold properties. There is high demand for this data from search companies, lenders, credit referencing agencies, and estate agents. It has also been singled out by the Ministry of Housing, Communities and Local Government's research as having the potential to drive innovation in the homebuying process;
- daylist dataset – providing a list of applications and searches received daily by HM Land Registry. Our research suggests this will be of great interest to those in the conveyancing industry who are interested to know the state of progress of transactions. It will also be of interest to those in the economy more generally who would value knowing when property is changing hands; and
- restrictive covenants dataset – restrictive covenants on property titles restrict their use in some way. Early awareness of restrictive covenants can influence purchasing and development decisions, saving wasted time and resource for homebuyers, conveyancers and developers. The publication of this data will actively reduce the number of failed transactions and can be used to outline patterns of regional issues surrounding land use restrictions.

Inspiring the next generation

We continue to support PropTech start-ups through our Geovation programme. Our joint initiative between HM Land Registry and Ordnance Survey continues to drive and encourage innovation and collaboration, utilising our combined location and property data. Since October 2017, we have invested £160,000 of grant funding in 14 PropTech companies who have raised more than £6m of third-party investment.

The programme encourages and assists start-ups in realising their potential. It offers data, insight and office space, and puts the young companies in touch with a network of established entrepreneurs and industry leaders who offer mentoring and advice.

Importantly, we learn a lot too. The start-ups shine a light on future uses of our data. That tells us how to direct our investment in its quality and accessibility, so we can enable the property market to be the best it can be.



The Geovation Hub in Clerkenwell, central London
Photo: Geovation

Geovation 2018 – last year’s cohort



Adam Phillips is co-founder of PropTech company **Hipla**, which has created a Home Buyer Passport to improve transparency in the homebuying process.

“Receiving backing, guidance and help from Geovation has helped our early-stage start-up gain a much steadier footing than it otherwise would have done. Its help with funding, office space, data and market insights has been invaluable. The support has meant we are now in a much better position to deliver on our objective of improving the homebuying process.”



Olly Thornton-Berry is co-founder of PropTech start-up **Thirdfort**, which works with lawyers to hold money securely during property transactions.

“Geovation has been immensely helpful. It supported us from incubation to a business with over £670k in funding, a testable product and two new in-house developers. We now feel we have a foundation to grow from, and Geovation has been integral to that foundation.”

Geovation 2019 – this year’s cohort

On 15 April 2019 the latest intake of PropTech start-ups to join Geovation were announced:



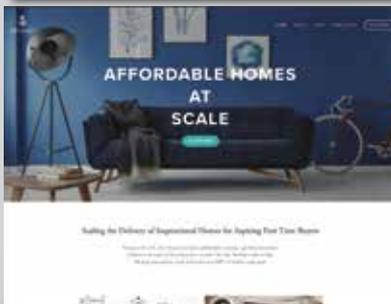
DronePrep uses location data to open up new low-level airspace access possibilities by connecting drone pilots to landowners to share and agree flight information.



Winston is a digital concierge supporting the home of the future. Customers will make requests through their platform or via their bespoke messaging channel.



Property-Markets is a professional property comparison website which aims to take the hard work out of searching for and analysing property, saving time, money and effort. It has more than 30,000 properties for sale in London.



RenKap is an online marketplace working to alleviate the housing crisis by scaling the delivery of high-quality homes for those locked out of the housing market. They target the small sites that are difficult and time consuming for local authorities and housing associations to deliver, providing local homes for local people through shared ownership and rent to buy.

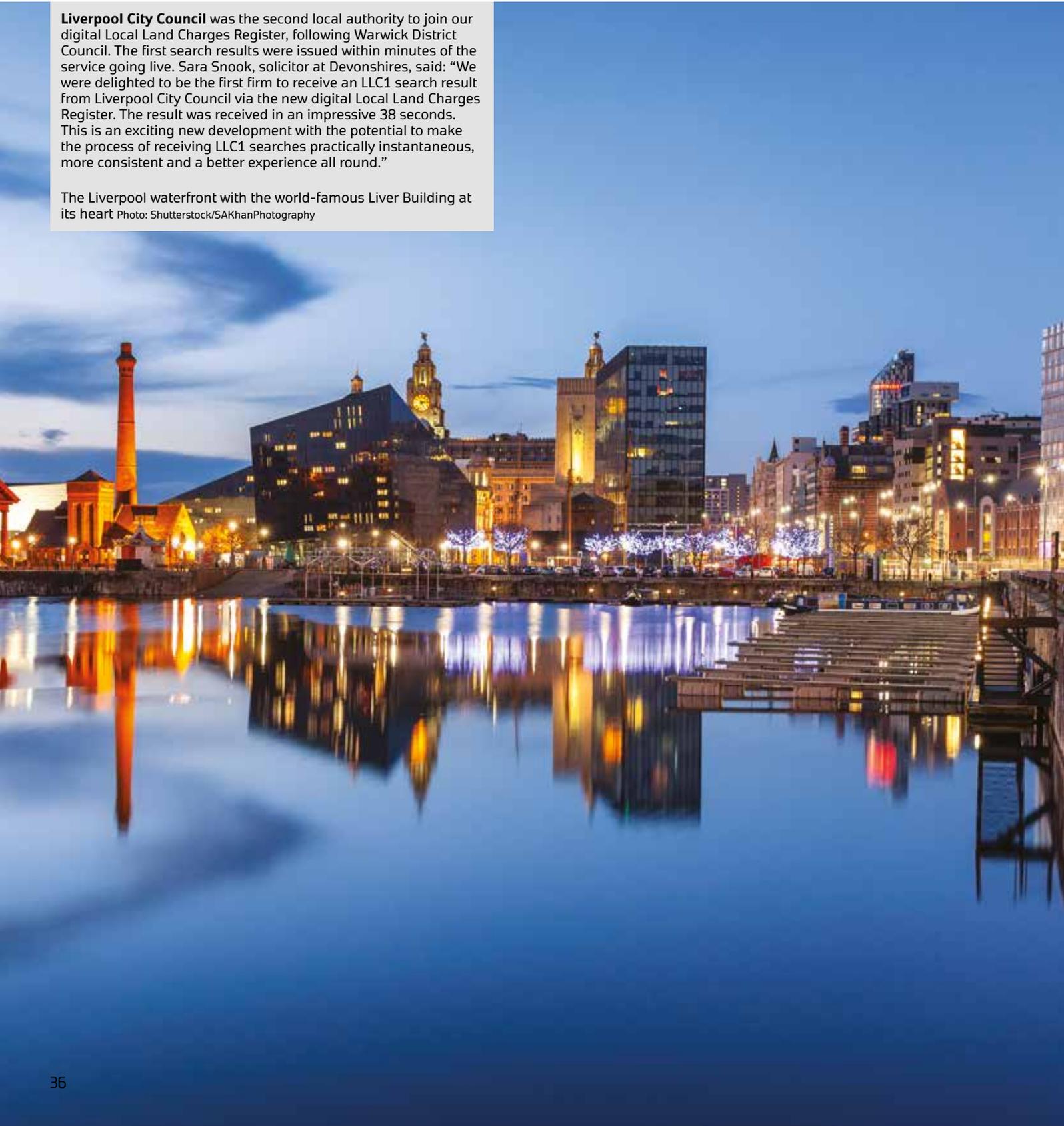
Transforming together

Karina Singh Director of Transformation

“Simply put – we will not transform unless we collaborate.”

Liverpool City Council was the second local authority to join our digital Local Land Charges Register, following Warwick District Council. The first search results were issued within minutes of the service going live. Sara Snook, solicitor at Devonshires, said: “We were delighted to be the first firm to receive an LLC1 search result from Liverpool City Council via the new digital Local Land Charges Register. The result was received in an impressive 38 seconds. This is an exciting new development with the potential to make the process of receiving LLC1 searches practically instantaneous, more consistent and a better experience all round.”

The Liverpool waterfront with the world-famous Liver Building at its heart Photo: Shutterstock/SAKhanPhotography





KARINA SINGH Director of Transformation

HM Land Registry is a large and complicated organisation. We serve a complex and evolving market which has changed beyond recognition in 157 years.

Our transformation touches everything we do. We are changing our systems and processes and investing in the IT infrastructure needed to support new digital services. To better support the UK economy, we are reformatting and opening up our data and simplifying our fee structure.

We must also ensure our colleagues are empowered to deliver the extensive changes required and are involved in shaping the kind of organisation we want to be in the future. We are changing the way we recruit, manage, lead and develop colleagues.

Involving colleagues

Involving colleagues from across HM Land Registry and wider government has helped us to increase the pace at which we deliver. Local change manager networks are supporting new changes and ensure feedback flows from the front line to those designing and implementing change.

Our leaders have undergone initiatives to develop change management skills. We are looking at ways to embed continuous improvement and agile methodologies across the organisation. This will ensure we deliver the myriad of upcoming changes in the right way.

Front-line colleagues have been involved in changes which make their day-to-day work easier. This has helped increase productivity by an extra 151 full-time equivalents.

Importing world-class best practice

We are also looking to understand and import world-class best practice from outside of HM Land Registry. This year we have talked to land registries around the world. Closer to home we have spent a lot of time with local authorities and our customers who have helped us to refine our new products, services and channels.

Projects such as Digital Street have seen close collaboration with key players across various markets. And our legal professionals have worked across government to protect the integrity of the register in a more digital world.

There is much work to be done if we are to achieve all that is set out in our Business Strategy. We are very clear that we will succeed only if we take the journey to transformation with all our partners.

Simply put – we will not transform unless we collaborate.

Our transformation programmes 2017-22

Digital – providing new digital services to all our customers that make it easier for them to work with us while also increasing our efficiency.

Data And Data Publication – unlocking the vast amounts of property information to increase its value for the UK and the digital economy.

IT Infrastructure – creating a more resilient, secure, and cost-effective IT infrastructure, keeping our data secure and easily accessible.

Service Improvement – creating more consistency in the way we do things across operations, including improving current processes, casework systems and the way we allocate work.

Customer – putting customers at the heart of our services to become faster and easier to do business with.

Local Land Charges – improving the homebuying process by making Local Land Charges (LLC) results instantly available.

Brilliant By Design – creating and implementing a single national approach to operations underpinned by a culture of continuous improvement across all 14 locations.

Registration experts at work in our Nottingham office Photo: HM Land Registry/Ian Stone



Local Land Charges

The digital Local Land Charges service went live in July 2018 with Warwick District Council's data the first to be transferred to the new register. This marked a milestone in making the conveyancing process simpler and faster. Local land charges search results for the district can now be provided in seconds rather than days or weeks.

We worked with customers, central government and property sector trade bodies to design a new service that was as user friendly as possible. It has been well received by users and is delivering on our ambition to make buying homes simpler, faster and cheaper for citizens.

Since the launch, four other local authority areas' data has been added to the digital register, with more local authorities eager to migrate having seen the benefits it has brought to Warwick, Liverpool, City of London, Blackpool and the Isles of Scilly.

We are collaborating with local authorities to transform their existing local land charges data. Their data is held in a variety of formats including paper and microfiche. We help them digitise it, ensuring its accuracy and adding spatial extents before migrating it to our central register.

We are now working with PropTech companies to explore how this transformed and cleansed data can add even greater value to the property market and the wider economy.

Richard Steele, Corporate Spatial Data Manager at the City of London Corporation, said:

"Previously, our local land charges data was held in a mixture of paper and digital systems. Before migrating all the information to HM Land Registry's register, we have digitised and accuracy-checked all the data. This helps to reduce business risk for future property transactions in the area. By taking part in the process the turnaround times for local land charges search results for properties in the City will be reduced from days to seconds."

Warwick District Council's Chief Executive **Chris Elliott** said:

"As a forward-looking council aiming to provide the best possible service to all of our customers, we very much welcome any measures which will speed up the process of buying a home. Opening up our data to HM Land Registry will be a huge benefit not only to those wishing to purchase a home or land in our district, but also to our busy planning team."

Stephen McCluskey, Operations Director for SearchFlow, said:

“The digitisation of Warwick District Council’s Local Land Charges data marks the start of a major milestone in our industry. This aims to improve the speed of delivery and we are proud to support our clients in seamlessly accessing this data, without them having to change any of their working practices.”

Tom Ansell, Head of Conveyancing at Brethertons LLP Solicitors, said:

“We...couldn’t believe how quickly the documents were returned and the quality of the reports therein. We can already see how this service will be such a benefit to our customers, speeding up transaction times and furthering their overall positive conveyancing experience.”

Andrew Lloyd, Managing Director of Search Acumen, said:

“It is early days, but we think the ability to immediately execute LLC searches will completely transform UK property transactions. It’s no surprise that LLC searches have too often been the fly in the ointment for both residential and commercial property transactions. Property professionals have been at the mercy of a fragmented process that can result in a sub-optimal service for their clients. The launch of the central digital register is a big step towards getting as close to the best-case scenario as possible, and even going one better through digital technology.”

The Lloyd’s building, home of insurance and reinsurance market Lloyd’s of London, reflected in a neighbour on Lime Street in the City of London. The city corporation became the third local authority to join our Local Land Charges Register in October 2018.

Performance analysis and financial review

Iain Banfield Chief Financial Officer

“We will transform and modernise the services we provide – and how we provide them – while at the same time continuing to deliver our core statutory duties.”

I am delighted to have joined HM Land Registry at such a pivotal stage in its Business Strategy. Our key financial challenge is about striking a balance: we need sufficient resources to protect the integrity of the register; we also need enough investment to realise the huge potential of our transformation programme. To this end, our financial strategy seeks to ensure our longer-term plans are sustainable from the income that we will generate over the economic cycle.

We will transform and modernise the services we provide. At the same time, we will continue to deliver our core statutory duties, which underpin the effectiveness of the UK housing market.

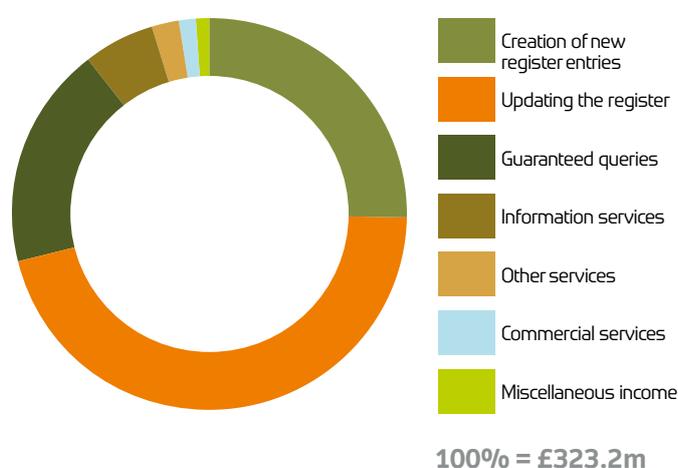
Overall, this has been a year of strong financial performance for HM Land Registry. In 2018/19, we invested a total of £31.8m in our transformation programme. We also returned a dividend to the Government of £27.3m and retained an annual surplus of £5.0m.

	2017/18	2018/19	Variance (17/18 to 18/19)
	£m	£m	%
Operating income	319.9 ¹	323.2	1.0
Total costs	(266.4) ¹	(290.9) ²	9.2
<i>(Of which operating costs)</i>	<i>(260.2)¹</i>	<i>(292.2)</i>	<i>12.3</i>
Surplus before dividend	53.5	32.3	-39.7
Dividend	(28.7)	(27.3)	-4.9
Retained surplus	24.8	5.0	-79.9
Capital expenditure	12.8	16.8	31.3
Net assets	446.4	452.9	1.5

¹ In 2017/18, miscellaneous income was netted off operating costs, rather than reflected as operating income. However, in 2018/19, it was instead included as operating income. The 2017/18 values for operating income, total costs and operating costs have therefore been restated here to allow for like-for-like comparison.

² In 2018/19, operating costs exceeded total costs due to the latter netting off one-off receipts of £3.5m.

Operating income 2018/19



Operating income

The property market in England and Wales remained robust in 2018/19, resulting in a year-on-year increase in operating income of 1.0%, to £323.2m.

As in previous years, almost half our operating income was driven by updates to existing titles in the register, which accounted for £148.6m. The creation of new register entries (such as first registrations, transfers of part and new leases) generated income of £82.0m. Within these figures, there continues to be a shift towards the remortgage market.

Our other major income came from guaranteed query services. These are critical steps in every property transaction and where we see our largest volume of service demand. However, since they are largely automated, they do not carry as high a fee as our register change services (which require input from our expert professionals). In 2018/19, guaranteed query services accounted for £58.9m.

Information services enable users to go online to get a snapshot of any registered plot of land or property. We charge for some of these – such as views of the register – as well as offering free online services, including MapSearch and Property Alert. Information services generated £19.5m in 2018/19. Together (and adjusting for refunds), the three core registration services above generated £308.7m (95.5%) of £323.2m of operating income in 2018/19.



IAIN BANFIELD Chief Financial Officer

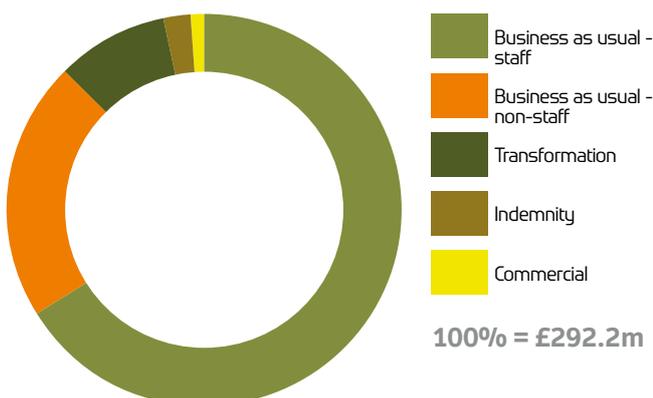
We also provide other land and property services. Our digital Land Charges service protects interests in unregistered land and we maintain the bankruptcy index for England and Wales. Our Agricultural Credits Department maintains a register of short-term loans secured on farming stock and other agricultural assets. Together these generated £7.0m.

Finally, we offer free and commercial data services for customers in the property market and elsewhere in the economy. Income from the commercial release of our data generated £4.5m in 2018/19. Our ambition is to release all of our publishable and available data by 2021. Our income will be used to support the release of further datasets. Aside from income from our services, we received miscellaneous income of £3.0m, the vast majority of which comes through the investment property we hold, which we let on a commercial basis.

Operating costs

2018/19 has seen a 9.2% increase in our cost base. This was driven by increased investment in transformation in line with the profile in the Business Strategy, but also through expanding caseworker capacity to address historic under-resourcing and to meet existing demand.

Operating costs 2018/19



We recruited more expert colleagues and funded increased overtime to help manage the backlog and improve our speed of service. This contributed to an increase in staff costs for our business-as-usual activity, rising from £180.2m in 2017/18 to £195.4m in 2018/19. Non-staff business-as-usual costs totalled £60.4m (2017/18: £53.4m), including spend on: property and facilities management; IT services, including maintenance of equipment and licences; and various contracts with third party suppliers, relating to document storage and retrieval, document scanning, and mapping services from Ordnance Survey. Impairment and depreciation costs included within the non-staff costs increased from £5.0m in 2017/18 to £7.8m in 2018/19.

There was also £98,000 included in respect of the statutory audit for 2018/19 by the National Audit Office and Comptroller and Auditor General (C&AG): £92,000 fee for 2018/19 and an extra charge of £6,000 due to undercharging in 2017/18.

Improving our services Our strategy depends on investment in transforming the services we provide and how we provide them. In 2018/19, we invested £26.9m of resource (including £10.9m of staff costs) in our ambitious change programme.

The majority of this spend relates to the continuation of our Digital and Data Programmes. The overall aim of these is to modernise HM Land Registry and improve the range of, and access to, our data. It will enable us to provide better, faster and more efficient services, at lower cost.

We also invested in improving our existing services, systems and casework processes as part of our Service Improvement Programme and in our Customer Programme. The latter is improving critical elements of how we manage customer contact. These include refreshing our online business portal and improving our customer relationship management system. In addition, we invested in our IT infrastructure, which will enable us to move some of our services to the cloud, as well as work towards consolidating our data centres from three sites into two.

Guaranteeing the integrity of the register

Alongside our core business costs and transformation programme, our state-backed guarantee of title helps to underpin the integrity of the register. It provides protection for victims of fraud or unforeseen errors. In 2018/19, £7.0m of our operating costs related to such indemnities. This consisted of both £2.6m paid out against 882 claims, and movements in the provision over the course of the year, based on advice received from the Government Actuary's Department:

- a £0.4m movement in the outstanding claims provision, relating to the estimated value of claims received before the year end, but not yet settled;
- a £4.0m movement in the 'incurred but not reported' (IBNR) provision, relating to potential claims as a result of existing (but as yet unidentified) errors.

Further information on outstanding claims and IBNR provisions – including sensitivity analyses that reflect the estimated nature of the IBNR liability and

susceptibility of the provision to fluctuation – can be found in note 16.2 in the accounts, along with the changes in methodology compared with the 2017/18 Annual Report and Accounts. See Appendix E for further detail on claims paid.

Commercial services Finally, operating costs included £2.5m to support our commercial services, of which £1.2m were staff costs.

Non-operating income and costs

The major component of our non-operating costs is our Local Land Charges Programme, which began a live service in 2018/19. These costs (£4.7m) include £1.6m of staff costs and are reported net of the associated income.

Another non-operating cost was the interest payments associated with our finance leases (£0.6m), while a refund from the Civil Service pension provider served to reduce our non-operating costs by £3.5m.

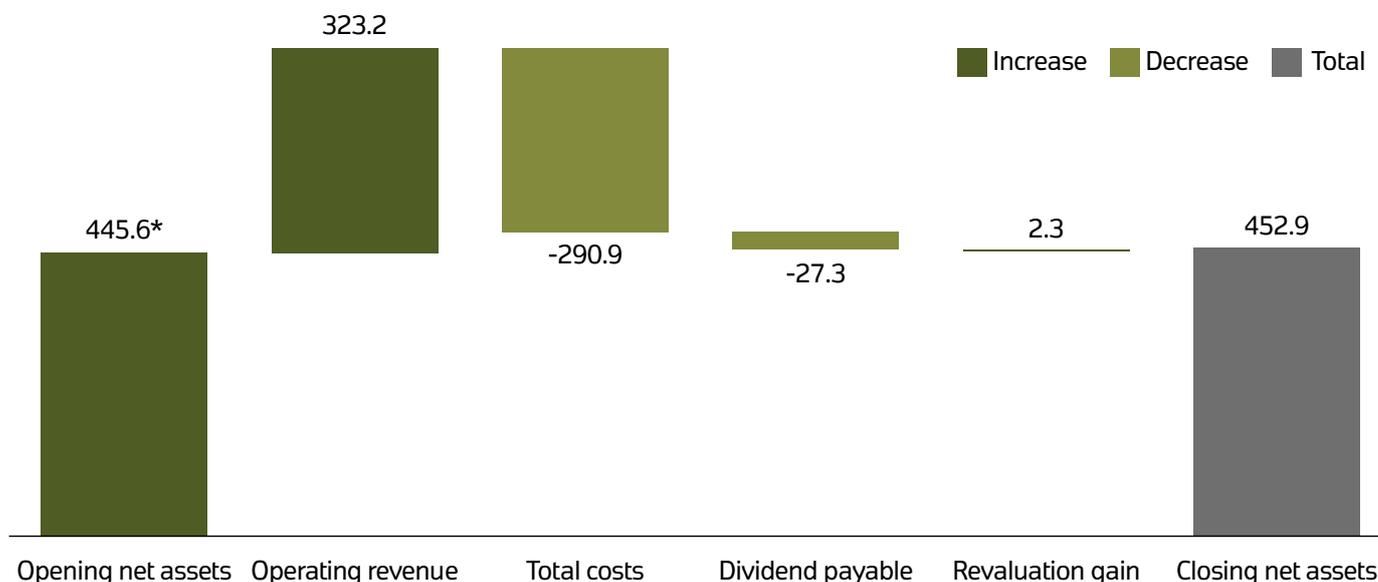
Finally, we generated non-operating investment income (£3.1m) from the interest gained through our approach to Treasury Management.

Capital and reserves

Total capital expenditure was £16.8m, including £4.9m on the transformation programme. This was mainly on IT, software and capitalisation of Local Land Charges development costs. Of the total spend, £3.0m related to tangible assets and £13.8m to intangible assets.

After total income and costs, a dividend payment of £27.3m (2017/18: £28.7m) will be made to HM Treasury, which results in a retained surplus of £5.0m. (The drop in dividend of £1.4m compared to 2017/18 reflects changes in the Consumer Price Index on which it is based.) Combined with a £2.3m gain in the Revaluation Reserve, a comprehensive surplus of £7.3m has been achieved, resulting in net assets of £452.9m.

Movement in net assets 2018/19 (£m)



*Opening net assets were adjusted to reflect application of IFRS 15, as explained in note 11 to the accounts on page 97

Corporate financial targets

	2018/19		2017/18	
	Actual %	Target %	Actual %	Target %
Percentage return on average capital employed	6.0	5.4	11.1	4.3

Reclassification of HM Land Registry

In October 2018, the Office for National Statistics reclassified HM Land Registry into the central government subsector for national accounts' statistical purposes, in accordance with the provisions of the European System of Accounts 2010. We were previously a public (nonfinancial) corporation. As a result, it is possible that the government may revoke our trading fund status as from April 2020. We would then enter the parliamentary vote-funding regime from 2020/21 and our finances would form part of the financial statistics relating to central government.

We are in discussions with HM Treasury to make sure any future financial framework provides the flexibilities we need in order both to continue our functions and meet our ambitions.



Brentford Community Stadium

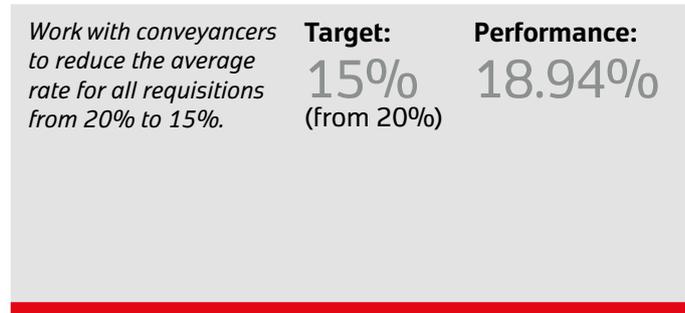
As part of the wider regeneration of the Brentford East area in London, Hounslow Council acquired a former railway and builder's yard in west London by compulsory purchase order to enable Brentford Football Club's plans for Brentford Community Stadium to go ahead. The land, close to Kew Bridge Station, is now under development to hold a 17,250-capacity stadium opening in time for the 2020/21 season, more than 900 new homes, a new purpose-built location for Brentford FC Community Sports Trust and a public square with shops and cafes. Rugby club London Irish will also play at the stadium. Fylde Office registration expert Simon Boothroyd said of the complex application: "It was interesting because of the history of the area and how it is now being developed for the benefit of the football club and the wider community." Photo: Brentford FC

Our performance

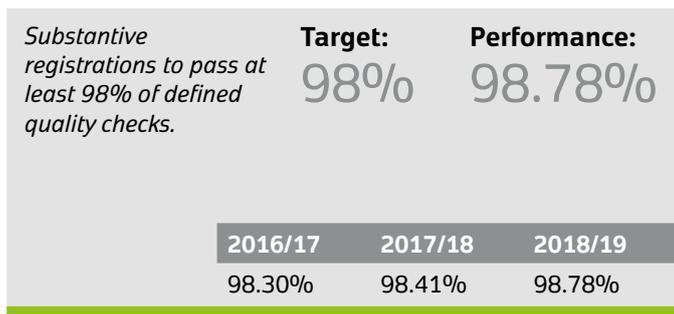
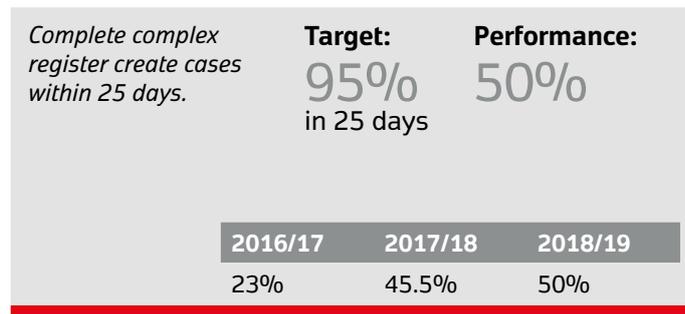
Our KPIs are set with the intention that they will remain key measures of business performance for the lifetime of the Business Strategy, through to 2021/22. Our KPIs are split between four of the six strategy areas. The level of ambition and performance against our targets has increased since we launched our strategy in 2017.

We have 14 KPIs against our strategic priorities to monitor for 2018/19

Brilliant at the basics – more customer focused



Brilliant at the basics – more efficient and upholding our values



World leading through Digital Street

The Digital Programme will improve services and deliver a productivity saving of 65 full-time equivalents (FTEs).

Target:
65
FTEs

Performance:
66
FTEs

Average external e-services availability to be at least 99.7% during published service hours.

Target:
99.7%

Performance:
99.78%

2016/17	2017/18	2018/19
99.89%	99.92%	99.78%

Local Land Charges service to be live and providing services to customers.

Target:
Live by
31/12/2018

Performance:
Met

Expert people

Staff engagement score to be in the top half for the Civil Service for organisations of equivalent size and nature.

Target:
Top
50%

Performance:
3rd out
of 20

2016/17	2017/18	2018/19
56%	60%	61%

Engagement score for leadership and managing change to be 10 percentage points higher than the 2016 baseline

Target:
43%

Performance:
45%

2016/17	2017/18	2018/19
33%	41%	45%

Increase the number of women in the middle and senior management grades by 50.

Target:
959

Performance:
968

959 women in the middle and senior management grades

Financially strong

Productivity to increase by 2.7%

Target:
2.7%

Performance:
-2.6%

Our performance in depth

This has been a year of strong performance with HM Land Registry successfully meeting 11 out of 14 of our KPIs and 42 of our 56 milestones. In particular, 98% of all our applications were met within service standard and there has been year on year improvement on performance against our defined quality checks, colleague engagement score and leadership and managing change.

Our milestones

Our Business Plan for 2018/19 outlined a number of key milestones against each of the strategy areas we tracked progress against. These milestones covered a vast array of project and business as usual work and included some areas not covered by our KPI. For example, under 'A comprehensive register' there were five milestones looking at the registration of public land, all of which were met. At the end of the year we met 42 of our 56 milestones. Eleven of these are categorised as 'not met' or 'partially met'. They include areas where we delivered after the original deadline that was set. Three milestones were no longer applicable and include instances where targets had changed mid-year.

Brilliant at the basics: more customer focused

Customer satisfaction: To make sure our decisions are based on an understanding of customers' needs and their expectations of us: We commissioned our research partner, Ipsos Mori, to survey our customers every quarter and ask them how they rate our overall service. A total of 1,200 of our customers were surveyed as part of the 2018/19 KPI, the same number as in 2017/18.

Our target was to have 92% of our surveyed customers (up from 90% in 2017/2018) rate our service as good, very good or excellent against a five-point scale. In February 2019, we achieved a 92% year-end satisfaction rate, which includes 33% rating us as excellent, maintaining our performance from last year. This KPI will roll forward into 2019/20. In parallel to the current KPI we will trial a new customer satisfaction tracker including updated survey and sampling techniques. This updated approach will better reflect our future customer base and operating structure. This is with the intention of introducing it as our new Customer Satisfaction KPI for 2020/21.

Requisition reduction: To enable us to process applications faster, minimise cancellations and ensure that customer receive the best value from the professional services they pay for: Requisitions are enquiries raised by caseworkers against applications that are lodged with incomplete/missing information and other discrepancies. The volume of requisitions received is hindering our ambition to make dealings with us quick and simple and represents an ongoing burden/risk to HM Land Registry and its customers. This year's KPI to reduce requisition rates to 15% from the 20% seen at the end of 2017/18 has not been achieved. Although a great deal of work has been done in 2018/19 to prepare the market for improvement, this has not yet been fully reflected in the overall level of quality of the registration applications we receive.

Internally we have worked to improve our own consistency in the raising of requisitions and thereby improve the data we are sharing with some of our customers. Our caseworkers underwent new training in the course of the year to improve consistency and, while there is more to do, significant improvements have already been made. For example, we have reduced the use of non-standard requisitions to virtually zero, meaning our customers are now receiving more consistently worded and clearer feedback when we raise requisitions.

Externally, we have worked with the customers who lodge the most applications to improve quality, and in some cases requisition rates have fallen. We have delivered new training and support tools for our customers that have had significant take-up. We have implemented new policies for rejection in certain types of application and are trialling new ways of dealing with requisition points that recognise the issues our customers face in obtaining evidence from third parties. We are working with regulators and membership bodies to help improve the quality of applications through the sharing of data and collaborating in joint training and development activities. Towards the end of 2018/19, we published requisition data relating to our top 500 customers by volume of applications lodged. We will continue to monitor performance against requisitions as a KPI next year.

Brilliant at the basics: more efficient and upholding our values

The average cost per register update reduced from 2017/18 by 3%. To measure the efficiencies and savings made on register updates in part through the digitisation and automation of daily transactions: This KPI measures the year-on-year change in the cost of processing register update applications. We use a full costing methodology. In 2018/19, the cost fell by 3.3% against the target that was set for 2017/18.

Speed of service standards To measure the efficiency of our operations and the service we provide to our customers: Our caseworkers processed 15.1 million register queries and 4.96 million applications to change the Land Register in 2018/19, with 4.46 million of the changes being mostly 'straightforward updates' (excluding bulk register updates) and 0.5 million being more complex register create processes such as first registrations, new leases and splitting titles.

Our speed of service targets are a fundamental part of our ambition as outlined in our Business Strategy – to become the world's leading land registry for speed, simplicity and an open approach to data. In 2018/19:

- 14.8 million register queries (includes office copy requests and property searches for example) were processed within the two-day service standard; and
- 4.3 million register updates (excluding bulk register updates) were processed within the five-day service standard.

For the more complex register create applications, we have not yet consistently met the service standard. A total of 250,000 of our complex register create cases

were processed within 25 days, which accounted for 50% against our target of 95%. This was partly due to our more experienced caseworkers being involved in the upskilling of our new colleagues. This will secure our ability to ensure service standards for our more complex work will be improved in the future. We met the standard for first registrations and creation of new title entries for major new build developments developer work but not for the complex business of other new title creation. On average, these were dealt within 52.05 days which is an improvement from 62.77 days in 2017/18.

We will maintain our two and five day services standards for 2019/20. Our 25-day target for the more complex register creation work will focus on first registrations and creation of new titles with a new KPI being developed to focus specifically on the remaining backlog.

Providing assurance for our customers To provide a consistent experience for our customers, improve accuracy and make sure the quality and integrity of our service and of the register are always maintained: We continually challenge ourselves to ensure we are providing a quality product by carrying out the right checks.

Our current checks include proprietor names, addresses and price paid. We check 1% of applications completed over five consecutive days, twice a month. Any errors identified during this process are corrected. At the end of 2018/19, we had checked 11,285 applications and found only 137 titles with errors. This gave an accuracy rate of 98.78%, and a marginal improvement of 0.37% from 2017/18. The KPI will be maintained for 2019/20 with checks against an expanded set of criteria.

World leading through Digital Street Deliver a productivity saving of 65 full-time equivalents (FTEs) To measure efficiencies and savings made through the Digital Programme: We achieved a productivity saving of 66 FTEs. Next year, we will focus on productivity savings resulting from the Transformation Portfolio. We will also develop a clearer KPI to measure the impact of our transformation on the wider economy, this is with the intention of measuring performance from 2020/21.

External e-services availability To measure availability of our services for our customers. Currently we have a target to ensure our external e-services are available at least 99.7% of times against advertised service hours. We are pleased to say we have met this target in each of the last two years we have been monitoring. This target has been increasing each year and for the 2019/20 financial year we will be increasing it again to 99.8%. At the same time, we will continue to invest in our IT infrastructure to develop new services and functionality that will transform the way the organisation works.

Local Land Charges (LLC) to be live To ensure the delivery of HM Land Registry's fourth register: The LLC

service went live in July 2018, providing customers with live LLC searches as part of the conveyancing process.

In 2019/20, in order to measure the improvements, we make to our systems and processes, we will introduce a new target which will look at the number of applications processed automatically through the digital mortgage service.

Expert people

Colleague engagement To measure and drive improved engagement with our people and enhance our culture of leadership and change management: The engagement and commitment of our colleagues is crucial to our ability to achieve our ambitions. This is reflected in our target to improve our employee engagement score to be in the top half for the Civil Service for organisations of equivalent size and nature. Prior to launching our Business Strategy, our People Survey results showed our engagement was at 56% in 2016.

Since launching the strategy, not only have we improved our engagement score, which now stands at 61% for 2018, we achieved our target to improve the positive scores for leadership and managing change by at least 10 percentage points one year early, to 45%.

Our overall engagement score means we ranked third of 20 equivalent size and nature organisations. These results demonstrate that HM Land Registry is an organisation on the rise. The positive results are a reflection of the culture we are developing in the organisation but there is still more to do. In 2019/20 we will continue our focus on our future culture to improve employee engagement and make HM Land Registry an even a better place to work.

Increase the number of women in the middle and senior management grades To ensure we make continued career progression opportunities available. For the first time in 2018/19 we introduced a target to increase the number of women in middle and senior management grades by 50. We exceeded the target by nine. As well as maintaining this KPI for 2019/20, we will also introduce a target which will look to increase the numbers of black, Asian and minority ethnic colleagues in the management grades, where the evidence suggests the current pipeline needs to be strengthened.

Financially strong

Productivity to increase To measure efficiencies made through automation and digitisation: The KPI has been missed in 2018/19 with productivity under this measurement at -2.6% for the year. This primarily reflects the additional overheads associated with the change programme, for example the training overhead as executive caseworkers train new recruits, where the benefits will accrue in future years.

Sustainability performance

This report is delivered in line with the 2018/19 guidelines supplied by HM Treasury.

We use our environmental management system to make sure we are working towards the required targets set as part of the Greening Government Commitments (GGC) and the Greening Government ICT requirements and, to manage the delivery of land registration in an environmentally responsible way.

We are accredited to the environmental ISO14001 standard which independently ratifies our performance across the full range of sustainability activities within the organisation.

Compliance with environmental legislation is managed by our sustainability manager through the Sustainability Governance Framework and compliance meetings with our facilities management provider.

Climate change

The GGC targets continue to drive government to be more sustainable and ensure the requirement of the Climate Change Act (2008) of a reduction of 31% by 2020 in greenhouse gas emissions is delivered.

We consider climate change impacts during the delivery of building works and projects. Information gathered in building condition surveys and forward maintenance plans is used as part of our sustainability reduction strategy while carrying out major refurbishments and relocations or when delivering significant building plant replacement.

Biodiversity and the natural environment

We continue to make improvements where we can to grounds maintenance at our offices with an emphasis on habitat creation when replanting occurs.

Carbon

Gross emissions have improved to -63% over the 2009/10 baseline.

Consumption of both electricity and gas has fallen over the last year partially due to the introduction of more energy efficient equipment and the rationalisation of one of the HM Land Registry Data Centre locations. The reductions have continued despite continued recruitment and extended office opening hours.

The cost of the Carbon Reduction Commitment to the organisation was £86,000.

The greenhouse gas target set for all partner organisations in the Department for Business, Energy and Industrial Strategy (BEIS) is to reduce emissions by 40% by March 2020 over the baseline data for 2009/10, which we are currently meeting.

Waste

Waste management is delivered through two routes. Confidential business paper waste is managed through a confidential waste disposal contract outside of the facilities management contract. All other waste

management is delivered through the facilities management contract.

Of the waste arising, 740 tonnes is paper sent for recycling. Paper equates to 63% of our total waste arising.

Paper usage

The GGC reduction target to reduce our paper use by 50% from our baseline year of 2011/12 shows a current reduction of 65% over A4 equivalent paper use. Changes to the way we process casework and our move to on-request printing are continuing to have a significant impact.

Our target is to reduce the amount of waste generated by at least 25% from a 2009/10 baseline, and strive to reduce it further, including recycling or composting at least 70% of waste, with less than 10% going to landfill.

In partnership with our waste providers, we are looking to improve the way our waste is handled in the next financial year. We are currently meeting all targets with the amount of waste generated cut by 40% and the amount of waste recycled, diverted, composted or incinerated with energy recovery at 97%.

The water target is to continue to reduce water consumption from a 2009/10 baseline. This allows departments to set their own internal targets for water reduction and report on their progress against these. Additionally, departments will continue to report on office water use (m³ per full-time equivalent).

A 27% reduction in water consumption has been achieved against our target of 25%. Consumption per full-time equivalent, excluding tenants from other government departments who share our buildings, is 8m³.

In addition, our team of local sustainability champions has continued to work together on a range of initiatives over the last year focusing on reducing waste and recycling.

Sustainable procurement

The Commercial and Procurement Group have appointed three sustainability champions from within the team to add emphasis and focus upon achieving objectives.

The focus is on continuous improvement and methods to leverage buying power and promote benefits that help tackle economic, social and environmental issues.

The group continue to maintain and improve on Level 3 (Practice) across all categories in the Sustainable Procurement Flexible Framework maturity model.

Initiatives completed over the last few months include:

- delivering a presentation to the team informing of the risks and implications of modern slavery;
- starting to send out quarterly sustainability bulletins to keep the team better informed of legislation and current events;

- discussing corporate social responsibility with relevant BEIS partners;
- challenging senior managers to include sustainability objectives in individual appraisals and job descriptions to attract the best people;
- scheduling a sustainability webinar for Commercial Awareness Week; and
- ensuring sustainability is included in template procurement documentation.

BEIS' target that by 2022 one £1 in every £3 will be spent with a small or medium-sized enterprise has been communicated to our suppliers.

Carbon reduction

Since 2009/10 we have reduced our carbon emissions by 63%. The cost of the Carbon Reduction Commitment to the organisation during 2018/19 was £86,000.

Current performance against the 2009/10 sustainability baseline data is as follows against the GGC targets.

WRAPPING UP A TIDY PACKET

In February 2019 we joined an innovative recycling scheme run by market leading recycling firm Terracycle to recycle crisp packets, after Facilities Management Team member Joanne Applebee saw a report on the scheme on her local news.

“I was surprised how easy it was to get involved,” said Joanne. “You register your interest on the Terracycle site and then when you are ready to send of a batch of packets, you download a label and organise a collection – it seemed such a great idea I wanted to start straightaway.”

The packets are collected, posted and then recycled into plastic products such as boots and plant pots. Since February as an organisation we have recycled more than 8,000 crisp packets.



	Achieved	Target for 2020	On target achieved Yes/No
Carbon	63% reduction	40% reduction	Yes
Waste arising	40% reduction 97% recycled 3% to landfill	reduce the amount of waste generated by at least 25% recycle or compost at least 70% of waste, and; landfill less than 10% of waste.	Yes
Water consumption	27% reduction	25% reduction (self-imposed)	Yes
Paper Consumption	65% reduction	reduce our paper use by 50% from 2009/10 baseline	Yes

Area	Performance		
	Actual (£'000)	2020 reduction target	
Energy: greenhouse gas emissions, all areas within scope	carbon emissions (tonnes)	5,345	9,776
	expenditure (£)	1,943	
Waste	consumption (tonnes)	1,181	1,484
	expenditure (£)	75	
Water	consumption (m ³)	41,548	38,346
	expenditure (£)	164	

Performance on other matters

Public sector information holder

We fulfil our role as a Public Sector Information Holder, which we take very seriously, through adherence to the General Data Protection Regulation (GDPR), the Data Protection and Freedom of Information Acts. We have recently reviewed our information management policies and amended our privacy statement to ensure it aligns with GDPR. We mandate annual Responsible for Information learning for our colleagues and augment it by promoting good practice in the areas of email security, password protection and the use of cloud collaboration tools. In the provision of its data services, HM Land Registry complies with the Reuse of Public Sector Information Regulations 2015 and has been monitoring the EU Commission's proposed changes to the Directive on the Reuse of Public Sector Information, which will lead to a change in the Regulations.

General Data Protection Regulation and information handling

HM Land Registry is exempt from the application of some individual rights where the application of GDPR would conflict with the Land Registration Act and Rules. Although individuals do have a right of access to their data, the process is governed by the Land Registration Act and Rules and not the GDPR. This means we can prescribe statutory forms for completion and charge a fee for access to registers, title plans and documents in support of the register.

We have revised our information management policy and aim to maximise the potential to make it easier to work collaboratively.

Open and full information

We received 409 Freedom of Information requests, of which 402 were answered within 20 working days.

Land Registration Rule Committee Annual Summary of Activities

The Land Registration Rule Committee was constituted under the Land Registration Act 2002 to provide advice and assistance, originally to the Lord Chancellor but now to the Secretary of State for BEIS, in making land registration rules and fee orders under the Act.

The committee was not called on to give advice and assistance to the Secretary of State during this period as no land registration rules or fee orders were made by the Secretary of State.

Modern slavery

We support measures to ensure that modern slavery, including slavery and human trafficking, has no place in our organisation or supply chains. We continue to use robust procedures, including in our contracts and in our recruitment processes, and facilitate the raising of any concerns by colleagues, including any relating to modern slavery concerns in our supply chains.

Business impact target

The Business Impact Target (BIT) score comprises the economic impact of regulatory activity where the burden or benefit will impact on business above a £5m threshold.

HM Land Registry regularly reviews its activities to assess the impact on its business customers in complying with its regulatory processes and requirements.

We are continuing to develop our electronic lodgement of applications to make it easier and cheaper to deal with us. We are also reviewing how we deal with calls from customers.

Policy and stakeholder coordination

The Chief Land Registrar's Office fulfils a range of functions to uphold the reputation of HM Land Registry with government and key stakeholders. It coordinates our representation globally and our contribution to the development of government policies. The office also supports the executive and non-executive senior teams and includes the Board Secretariat.

During the year, we coordinated HM Land Registry's contribution to key or emerging government policies, including on housing, digital and industrial strategies, property logbook, geospatial strategy

Mike Harlow meets guests at our annual stakeholder reception at the Royal Society
Photos: HM Land Registry/Ian Stone



and transparency. We have responded to nine consultations, either informally or formally, ranging from BEIS' 'Limited partnerships: reform of limited partnership law' to the Information Commissioner's Office's 'Openness by design'.

The Chief Land Registrar's Office works closely with BEIS and our governance sponsor UK Government Investments. We responded to five Parliamentary Questions about HM Land Registry and supported other departments with responses to their questions.

We hosted our annual stakeholder reception in November, where we showcased progress across a number of our programmes including Digital Street and local land charges. Around 40 government, industry and customer representatives attended, including from our Land Registry Advisory Council that brings together senior representatives from across the conveyancing sector. Our advisory council met four times during the year, providing an essential sounding board to challenge our day-to-day business activities and policy development.

HM Land Registry representatives hold positions on various international forums relevant to land registration, including the United Nations Economic Commission for Europe (UNECE) Committee for Housing and Land Management, the UNECE Working Party on Land Administration, the EuroGeographics

Management Board and the European Land Registry Association.

We presented three papers at the World Bank Land and Poverty Conference in March 2019. HM Land Registry submits the annual response to the World Bank Ease of Doing Business report on behalf of the UK. Our ranking for registering property increased from 47 in the 2018 report to 42 in the 2019 report published in October 2018.

Using our expertise, HM Land Registry supports policy commitments of the Department for International Development, the Foreign and Commonwealth Office and Ordnance Survey and we are working towards greater collaboration. We have provided support through scoping work and educational study visits and meetings. In the last year we have hosted educational study visits for representatives from many jurisdictions including Bangladesh, Saudi Arabia, Japan, Uganda, China, Barbados and Macedonia.



Mike Harlow
Acting Chief Executive and Chief Land Registrar
1 July 2019

Clothing retailer **Primark** opened its largest store to date in Birmingham city centre in April 2019. The five-floor, 160,000-square foot store on the site of the former Pavilions shopping centre includes a Primark café with Disney, a beauty studio and a barber. We registered the transfer of the lease to Primark in 2014. Photo: Primark/Cloud9



Glossary

Term	Definition
Agile	A method of project management that uses collaborative efforts to evolve solutions which achieve its goals.
Application	Applying for the registration of unregistered land, updating registered land or property titles, or applying for information from HM Land Registry.
Artificial intelligence (AI)	Intelligence and learning demonstrated by machines.
Blockchain	A distributed, decentralised public ledger.
Continuous improvement	An ongoing effort to improve products, systems, services and knowledge.
Core registration services	The registration of ownership, interests and mortgages against land and property.
Dividend	The sum we pay to HM Treasury annually out of our surplus.
Document view	View a document as a PDF and print or save it.
Geospatial	Data and information that is associated with a particular location.
Guaranteed queries	Services that provide information and results which come with a state guarantee.
Land Charges	Interests in unregistered land that are capable of being protected by entry in the Land Charges Register.
Machine learning	A field of computer science that gives computers the ability to learn.
Official copy	Copies of deeds and documents filed with us, including title registers and title plans, which are guaranteed as being accurate and are admissible as evidence as if they were the original.
Official search	Allows people such as homebuyers or mortgage lenders to protect their interest before the actual purchase or mortgage is recorded in the register.
Referral	An HM Land Registry process of referring an application (or a part of an application) to an experienced HM Land Registry staff member for their advice or a decision.
Register create application	An application that requires new entries to be created in the Land Register.
Register update	Updating the register of a title that is already registered.
Register view	Viewing the current version of the register.
Request for information	Where HM Land Registry has to make enquiries to the applicant on an application because information or evidence is missing or incorrect and so cannot be processed.
Requisition	See 'Request for information'.
Restriction	An entry that limits HM Land Registry from updating the register unless specified conditions are met.
Restrictive covenant	An agreement, usually contained in a deed, creating an obligation on the owner of land affected, such as limiting the uses of the land.
Robotic Process Automation	An emerging form of business process automation technology.
Sustainable Procurement Flexible Framework	A self-assessment mechanism that allows organisations to measure and monitor their progress on sustainable procurement over time.
Title	The evidence of a person's right to property.
Title plan	A plan showing the area of a registered property on a map, usually Ordnance Survey.

Accountability report

Corporate governance report

Directors' report

This section sets out the membership of our key directing boards and committees and explains their responsibilities.

HM Land Registry's Board

The remit of HM Land Registry's Board (LRB) is to support, advise, challenge and provide guidance. The LRB ensures good governance and public accountability, endorses the HM Land Registry strategy and assists the Chief Executive and Chief Land Registrar in their ultimate responsibility as Accounting Officer for the governance of HM Land Registry.

The LRB terms of reference were first approved in 2012 and were revised during 2015/16. They remained relevant in 2018/19.

The LRB met eight times in 2018/19. Meetings were held at HM Land Registry Head Office, regional offices and in London.

The Chair, Chief Executive and Chief Land Registrar and the Chief Financial Officer also held quarterly meetings with UK Government Investments (UKGI).

LRB membership	
Michael Mire (Chair)	Non-Executive Chair
Kirsty Cooper	Non-Executive Board Member and Senior Independent Board Member
Iain Banfield	Chief Financial Officer (from 4 February 2019)*
Diana Breeze	Non-Executive Board Member
Ruth Curry	Acting Director of Finance and Business Services (to 3 February 2019)
Graham Farrant	Chief Executive and Chief Land Registrar (to 31 December 2018)
Doug Gurr	Non-Executive Board Member
Mike Harlow	Acting Chief Executive and Chief Land Registrar (from 1 January 2019) and as an attendee as General Counsel and Deputy Chief Land Registrar (to 31 December 2018)
Angela Morrison	Non-Executive Board Member
Chris Morson	Non-Executive Board Member
Chris Pope	Chief Operations Officer
Claire Wren	Non-Executive Board Member, UK Government Investments (UKGI)
Attendees	
Mike Westcott-Rudd	Board Legal Adviser

*Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019.

Land Registry Board



Michael Mire



Doug Gurr



Angela Morrison



Chris Morson



Diana Breeze



Kirsty Cooper



Claire Wren

Executive Board



Mike Harlow



Karina Singh



Jon Cocking



Chris Pope



John Abbott



Robin Malpas



Iain Banfield



Mike Westcott-Rudd

Executive Board

The Executive Board (EXB) is chaired by the Chief Executive and Chief Land Registrar and its members are HM Land Registry's executive directors. The EXB is responsible for the delivery of HM Land Registry's

Annual Business Plan and for the day-to-day operational management of the organisation. The EXB met monthly to 31 December 2018 and then weekly from January 2019.

Executive Board membership

Mike Harlow (Chair)	General Counsel and Deputy Chief Land Registrar (to 31 December 2018) and as Acting Chief Executive and Chief Land Registrar (from 1 January 2019)
John Abbott	Director of Data, Digital and Technology
Caroline Anderson	Director of Human Resources and Organisation Development (to 15 March 2019)
Iain Banfield	Chief Financial Officer (from 4 February 2019)*
Jon Cocking	Acting Director of Human Resources and Organisation Development (from 1 March 2019)
Ruth Curry	Acting Director of Finance and Business Services (to 3 February 2019)
Graham Farrant	Chief Executive and Chief Land Registrar (to 31 December 2018)
Robin Malpas	Acting Deputy Chief Land Registrar (from 1 January 2019)
Chris Pope	Chief Operations Officer
Karina Singh	Director of Transformation
Mike Westcott-Rudd	Board Legal Adviser

Attendees

Cathy Jenkins	Chief of Staff
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*Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019.

Audit Committee

The committee supports the LRB and the Accounting Officer by seeking assurance on the risk management framework, the control framework, governance and compliance with policies, procedures, external standards and statutory requirements.

Audit Committee membership

Chris Morson (Interim Chair)	Non-Executive Board Member
Angela Morrison	Non-Executive Board Member
Derrick Palmer	Independent member of the Audit Committee
Attendees	
Brian Anderson	Risk Manager
Iain Banfield	Chief Financial Officer (from 4 February 2019)*
Stuart Brown	Senior Internal Auditor
Ruth Curry	Acting Director of Finance and Business Services (to 3 February 2019)
Graham Farrant	Chief Executive and Chief Land Registrar (to 31 December 2018)
Patrick Green	Chief Internal Auditor (from 29 November 2018)
Darren Hall	Head of Internal Audit, Government Internal Audit Agency (to 31 December 2018)
Mike Harlow	General Counsel and Deputy Chief Land Registrar (to 31 December 2018) and Acting Chief Executive and Chief Land Registrar (from 1 January 2019)
Mike Westcott-Rudd	Board Legal Adviser
Representative of National Audit Office	National Audit Office
Representative of UKGI	UKGI

*Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019.

Remuneration and Nomination Committee

The committee agrees pay strategy and authorises the annual pay review for HM Land Registry Senior Civil Service staff and agrees a strategy for succession to the LRB and EXB.

Remuneration and Nomination Committee membership	
Diana Breeze (Chair)	Non-Executive Board Member
Graham Farrant	Chief Executive and Chief Land Registrar (to 31 December 2018)
Mike Harlow	Acting Chief Executive and Chief Land Registrar (from 1 January 2019)
Chris Morson	Non-Executive Board Member
Attendees	
Caroline Anderson	Director of Human Resources and Organisation Development (to 15 March 2019)
Jon Cocking	Acting Director of Human Resources and Organisation Development (from 1 March 2019)

Register of interests

A register of interests is maintained at HM Land Registry's Head Office. See note 20 to the accounts on page 106 for related party disclosures.

Statement of Accounting Officer's responsibilities

Under Section 4(6) of the Government Trading Funds Act 1973 HM Treasury has directed HM Land Registry to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction referred to in note 1.1. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HM Land Registry and of its income, expenditure, changes in reserves and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis when appropriate to do so.

The Permanent Secretary at HM Treasury has appointed the Acting Chief Executive of HM Land Registry as the Interim Accounting Officer for the trading fund. The responsibilities of the Interim Accounting Officer, which include responsibility for the propriety and regularity

of the public finances for which the Interim Accounting Officer is answerable, for keeping proper records and for safeguarding HM Land Registry's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in Managing Public Money.

So far as I am aware there is no relevant audit information of which the auditor is unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

As Interim Accounting Officer I confirm that the annual report and accounts as a whole is a fair, balanced and understandable account of HM Land Registry's operational and financial performance and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Other accountabilities

Health and safety

We have continued to develop the health and safety management system we have in place to ensure compliance with legislative and regulatory requirements, monitor the adequacy of health and safety policies and promote continual improvement.

We continue to hold to OHSAS18001, the British Standard for health and safety management, with work to move to ISO 45001, the European Standard for health and safety management, by January 2020. The retention of these standards provides further assurance of the maturity of our health and safety management system and promotes our continual improvement and alignment with best practice.

We have maintained a good standard of compliance despite mobilising a new facilities management provider, who delivers health and safety services on our behalf.

There has been a continued focus on awareness and improvement in display screen equipment assessment processes and online training and awareness campaigns on road safety to further reduce the risk for our drivers. We have initiated a review of lone working and are currently delivering improvements and delivering shared best practice. This work will continue in 2019.

The total number of accidents reported by HM Land Registry staff at work was 137, three of which were required to be reported to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

Service standards

Details of the service that customers can expect from us can be found on our website: <https://www.gov.uk/government/publications/hm-land-registry-service-standards>.

Welsh language service

Information about our Welsh language service can be found on our website: <https://www.gov.uk/government/organisations/land-registry/about/welsh-language-scheme>.

Complaints

Following training for key staff at every office during 2017/18 to improve consistency in the recognition and handling of complaints, the number of recorded complaints increased significantly and this increased recording was maintained through 2018/19.

We recorded 3,193 complaints in 2018/19 compared with 2,712 in 2017/18.

We will continue to make further improvements in 2019/20. We anticipate this will result in a further increase in the total next year.

Forty-eight per cent of recorded complaints were upheld or partially upheld (42% in 2017/18). Customer feedback about the delays on registration applications and associated customer enquiries was the most common area of upheld complaint, comprising 19% of the upheld total. This reflects that we are unable to complete some of more complex applications involving the creation of a new register within our published service standard.

The other main areas of complaint related to our cancellation of applications (comprising 15% of the total), the requests we raise for information from customers when their applications are not in order (12%) and the results we send when we complete applications (10%).

The majority of complaints were not upheld and these were also mainly about delays on registration applications, the cancellation of applications, the requests we raise for information from customers and the results when we complete applications. Those that were not upheld tended to fall into the category of the complaint not being justified, for example where we received a complaint about delay, but the application concerned was completed within our service standard.

We conduct analysis of all complaints received throughout the year, both individually and in their overall categories, to capture learning points and act on them. For example:

- our customers said we sometimes took longer than expected to respond to enquiries about the progress of applications. We updated and clarified our enquiry handling protocols and standards and reminded our people how these enquires should be handled;
- our customers said complex applications made to us requiring the consideration of senior staff were sometimes delayed. We improved our internal processes for the referral of this type of application;
- our customers said we sometimes mishandled the servicing of applications that are not in order and those applications that are relodged following cancellation. We improved our systems, automating some aspects and provided clearer and more comprehensive information to our caseworkers; and

- our customers said our online GOV.UK guidance on applications relating to bereavement was difficult to find and unclear. We helped introduce new step-by-step guidance and made it easier to find.

Our Independent Complaints Reviewer (ICR) provides a free and impartial review and resolution service for any customer dissatisfied with how we have handled their complaint. As well as making recommendations to us about individual customers they also propose actions to improve our practice and procedures to reduce the risk of making the same mistakes again.

Copies of every ICR report are forwarded to a committee of senior colleagues to consider any findings. Where complaints are upheld, the Chief Executive writes directly to the customer to apologise and explain what we will do to put matters right.

Security incidents

Physical security is overseen by the Physical and Personnel Security Panel. There were 49 incidents during the year and zero significant (Class 1) incidents.

Personal data-related incidents

There were no personal data-related incidents reported to the Information Commissioner's Office during this reporting period.

Following the introduction of the General Data Protection Regulation in May 2018, we recruited a permanent Data Protection Officer. We introduced new processes to ensure we are compliant with the new regulations and have required all staff to complete the Civil Service Learning "Responsible for Information" training to ensure everybody has an appropriate level of awareness of data protection matters. Documentation has also been updated, including for example our Personal Information Charter on the GOV.UK website.

Governance statement

Scope of responsibility

As the Interim Accounting Officer for HM Land Registry I have responsibility for maintaining corporate governance structures that support the achievement of HM Land Registry's aims, objectives and targets, while safeguarding public funds and HM Land Registry's assets.

I was appointed as Acting Chief Executive and Chief Land Registrar from 1 January 2019, to replace the previous Chief Executive and Chief Land Registrar (Graham Farrant) who had held the role for the financial year 18/19 until 31 December 2018. I received from him an Interim Statement of Assurance which I have relied upon as an accurate record of how HM Land Registry was performing and how risk and assurance was being managed. I also received a ministerial letter of appointment pursuant to The Land Registration (Acting Chief Land Registrar) Regulations 2003 and a letter from the Permanent Secretary to the Treasury, appointing me as Interim Accounting Officer plus a letter from the Chief Financial Officer at BEIS providing me with financial delegations.

HM Land Registry is a non-ministerial government department, an executive agency and a trading fund. My duties as Interim Accounting Officer are set out in Managing Public Money, which are to ensure public money is safeguarded, properly accounted for and used economically, efficiently and effectively. I am accountable for the performance and stewardship of HM Land Registry to the Secretary of State for BEIS, with day-to-day responsibility delegated to the Parliamentary Under Secretary of State.

The main duties relating to maintaining the register of title to freehold and leasehold land and mortgages are defined in the Land Registration Act 2002 and those relating to Land Charges and Agricultural Credits are defined in the Land Charges Act 1975 and the Agricultural Credits Act 1928. The Infrastructure Act 2015 enabled HM Land Registry to become the registering authority for statutory Local Land Charges in place of individual local authorities. Five local authorities' registers of Local Land Charges have been moved over to HM Land Registry's single digital register during this financial year.

Reclassification of HM Land Registry

The Office for National Statistics (ONS) has conducted a review of the classification of HM Land Registry within government, as part of a wider review of a range of other government bodies for the purposes of national accounts.

At the end of October 2018 the ONS published its conclusion and has reclassified HM Land Registry into the central government subsector for national accounts' statistical purposes. We were previously a public (non-financial) corporation.

It means our finances will now be seen as part of the financial statistics relating to central government. As part of a review following the decision, it is possible that Government may revoke our trading fund status as from April 2020. We would then enter the parliamentary vote-funding regime from 2020/21.

We are in discussions with HM Treasury to see that any future financial framework provides the flexibilities we need in order to continue our functions and meet our ambitions.

Purpose of governance framework

The governance framework is designed to give assurance that HM Land Registry carries out its duties in a manner that fulfils the appropriate standards of effective internal control and risk management. It is based on processes designed to identify and prioritise the opportunities and risks to the delivery of HM Land Registry's strategy, the strategic objectives and performance targets. It aligns with our statutory duties and is designed to support the governance and strategic aims of BEIS and our statutory duties. The governance of HM Land Registry and its relationship with other government bodies is set out in a Framework Document dated 2012. Although we continue to work to this document it is in the process of being revised and is currently with departmental stakeholders for comment. It reflects all current arrangements and ensures alignment with all current government codes of practice in relation to arm's-length bodies.

Key elements of the governance framework

The governance framework includes:

- ministerial appointment of the Acting Chief Executive and Chief Land Registrar;
- HM Treasury letter appointing the Interim Accounting Officer;
- letter from the Chief Financial Officer at BEIS providing financial delegations;
- the Framework Document;
- HM Land Registry's Board, the Audit Committee and the Remuneration and Nomination Committee;
- the Executive Board, the Transformation Board, the Programme Boards and Executive Board delegated committees and the panels; and
- letters from the Interim Accounting Officer to directors setting out financial and functional delegations and accountabilities.

HM Land Registry's Board

HM Land Registry's Board (LRB) contains a mix of executives and non-executive board members. In line with Cabinet Office guidance the LRB is tasked with advising on, challenging and supervising five main areas. They are:

- strategic clarity;
- commercial sense;
- talented people;
- results focus; and
- management information.

Non-executive members of LRB are highly skilled and have the appropriate experience in the relevant fields to support and challenge the Executive Board. There are currently six non-executive directors plus the chair.

The LRB, supported by its Audit Committee, also ensures that HM Land Registry is working within a framework of prudent and effective governance arrangements and controls that enable risk to be appropriately assessed and managed. As part of that function, the LRB agrees the key activities that HM Land Registry will need to undertake to meet its strategic objectives as set out in its published Business Strategy. LRB supports the Acting Chief Executive in ensuring the necessary financial and human resources are in place for HM Land Registry to meet these objectives. It agrees the organisation's risk appetite, approves the annual budget and plan and regularly reviews performance in relation to agreed targets.

The non-executive members are independent of management. They are required to sign an annual statement recording any potential conflict of interests. A central "Register of Interests" record is then retained.

The LRB intends to carry out a self-assessment by the end of July. HM Land Registry has been discussing with UKGI the most appropriate means to deliver that.

During the year 2018/19 HM Land Registry's Board evaluated and agreed, among other things:

- the strategic direction and pace of change within HM Land Registry;
- HM Land Registry's potential involvement in a "property logbook" as proposed by the Ministry of Housing, Communities and Local Government;
- the approach to strategic risk management;
- payment of a corporate performance award for the year 2017/18;
- a strategic workforce plan and establishment size;
- the approach to speed of service and work in progress;
- the approach to handling open data releases;
- proposals for fee restructuring;
- the budget and transformation priorities; and
- partnering Ordnance Survey in financing PropTech start-ups via Geovation.

Committees of the LRB

Audit Committee

The Audit Committee supports the LRB and me as the Interim Accounting Officer by reviewing the risk management framework and the principal risks of the organisation, as well providing oversight and challenge in the preparation of the annual report and accounts.

At every meeting, the committee sees a Risk Register and Statement of Assurance of at least one directorate.

A self assessment of performance was undertaken this year and was deemed to be effective.

During this financial year the issues covered by the Audit Committee included:

- monitoring and challenging the progress of the local land charges programme;
- reviewing whether HM Land Registry had met government standards concerning the introduction of the General Data Protection Regulation;
- an assurance and risk management review; and
- overseeing a risk-based programme of internal audit assurance activity and monitoring implementation of agreed management actions.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (Remco) ensures that remuneration (and, where appropriate, nomination arrangements), including senior pay strategy, support HM Land Registry's aims and the recruitment, retention and performance of the executive team.

During the course of this year the main issues covered were:

- Senior Civil Service performance and pay;
- the HM Land Registry corporate performance award; and
- the departure of the Chief Executive and Chief Land Registrar and subsequent objectives and arrangements.

Attendance schedule for LRB, Audit Committee and Remuneration Committee

Non-executive	Title	Period (appointment relates to whole of the reporting year unless otherwise specified)	Board LRB	Committee	
				Audit	Remuneration
Michael Mire	Non-Executive Chair		8/8	–	–
Kirsty Cooper	Non-Executive Board Member and Senior Independent Board Member		7/8	–	–
Diana Breeze	Non-Executive Board Member		8/8	–	3/3
Doug Gurr	Non-Executive Board Member		4/8	–	–
Angela Morrison	Non-Executive Board Member		8/8	5/5	–
Chris Morson	Non-Executive Board Member		8/8	5/5	3/3
Derrick Palmer	Non-Executive Audit Committee Member		–	5/5	–
Claire Wren	Non-Executive Board Member		8/8	–	–
Executive					
Mike Harlow	General Counsel and Deputy Chief Land Registrar (to 31 December 2018) and Acting Chief Executive & Chief Land Registrar (from 1 January 2019)		8/8	5/5	1/1
Caroline Anderson	Director of HR, OD & Communications	To 15 March 2019	–	–	2/3
Iain Banfield	Chief Financial Officer	From 4 February 2019 ¹	2/2 ²	1/1	–
Jon Cocking	Interim Director of HR, OD & Communications	From 1 March 2019	–	–	
Ruth Curry	Acting Director of Finance and Business Services	To 3 February 2019	7/7 ²	3/4	–
Graham Farrant	Chief Executive & Chief Land Registrar	Appointment ended 31 December 2018	6/6	4/4	2/2
Chris Pope	Chief Operations Officer		8/8	–	–
Mike Westcott-Rudd	Board Legal Adviser		8/8	4/5	–

1. Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019.
2. Both Iain Banfield and Ruth Curry attended the February 2019 meeting, although Ruth was not a formal committee member at this stage.

Executive Board and Executive Committees

Executive Board

The Executive Board (EXB) leads and manages HM Land Registry to ensure the delivery of the objectives and business targets, the successful implementation of the approved Business Strategy, annual plans and compliance with the Framework Document.

Through the mechanism of individual letters of delegation, members of the EXB handle the day-to-day running of HM Land Registry.

A number of committees report to the EXB focusing on people, information management and register protection matters. Each committee is in turn supported by a number of sub-groups on specific items such as diversity, health and safety, cyber and counter fraud. All meetings are chaired by senior managers and report regularly to their parent board or committee. Membership is drawn from across the organisation and to include subject matter experts.

Transformation Board

The Transformation Board is made up of the EXB directors and other representation from appropriate areas of the organisation. The board oversees the delivery of operational and digital change in the organisation through oversight of delivery programmes and projects, their strategic alignment, benefits, risks and finances. Significant progress has been made across programme areas on digital and data, service improvement, customers, local land charges, IT infrastructure and brilliant by design.

Commercial Governance Panel

The Commercial Governance Panel is chaired by the Chief Financial Officer and includes the Head of Commercial Group, the Head of Strategic Finance and a corporate lawyer. It provides an additional layer of internal governance for expenditure on external goods and services over £100,000. The panel provides assurance to the Chief Financial Officer and the Interim Accounting Officer in relation to significant contract awards and contract extensions. It ensures all expenditure is aligned to HM Land Registry's Business Strategy; that the proposed procurement route will deliver the best value for money; and, that HM Land Registry complies with public procurement legislation and Cabinet Office controls.

Business Strategy 2017-22

HM Land Registry has an ambitious Business Strategy for the period 2017-22. Its objectives are to realise the Government's commitment for HM Land Registry to become the world's leading land registry for speed, simplicity and an open approach to data. The strategy is founded on our mission statement: "Your land and property rights guaranteed and protected" and our values: "we give assurance; we have integrity; we drive innovation; we are professional".

The strategy is based on the rationale that any transformation should only be about change for the better, with strategic risks managed, clear governance, financial controls in place and core service standards maintained or improved at all times.

Local Land Charges statement on governance

The Infrastructure Act 2015 provided the basis on which HM Land Registry became the registering authority and holds the statutory Local Land Charges Register in place of local authorities. To date, five local authorities have migrated their data across. The data migration is taking longer than forecast given the mixed data quality. This means that the migration of the remaining local authorities included in Phase 1 was not completed in 2018/19 and we have obtained ministerial agreement to extend Phase 1 into 2019/20 to give more time to assess and analyse the data from Phase 1 local authorities, and test our proof of concept assumptions more thoroughly. We can then consider a full range of options in evaluating the next steps.

I receive progress reports and assurances from the programme senior responsible owner. This involves monthly reporting to the Local Land Charges Programme Board and complete review of all risks, including the associated strategic risk, on a quarterly basis. Risks are also reported to BEIS on a monthly basis, including presenting an update to their Performance Finance and Risk Committee. As the programme falls within the remit of the Infrastructure and Projects Authority, I receive regular gateway reports from them.

Quality of management information

HM Land Registry has a dedicated 'Strategic Planning and Performance' team, falling under the umbrella of the Finance and Business Services Directorate.

HM Land Registry operates a number of models critical to its core business. These include models to forecast intakes and fee income; a strategic workforce planning model; an operational forecast model for matching workload and resources and models to support standard management and financial reporting. A dedicated Operation Forecast Model Steering Group provides oversight and relevant challenge to some of our models, which provides confidence in the use of those datasets.

We also have specific financial models for our major programmes, which are used to inform the business cases and to provide detailed financial planning.

A Performance Panel of senior managers meets monthly to review, challenge and provide commentary on the performance and management information of the organisation. The information and commentary is then reported to the EXB monthly and LRB quarterly.

Financial performance is monitored and reported using monthly reports. There is a procedure for setting annual budgets and reviewing financial performance and full-year forecasts. Quarterly forecast reviews are in operation giving the EXB and LRB appropriate oversight and assurance.

All LRB papers and the data included are cleared by the Acting Chief Executive and Chief Land Registrar in advance of meetings. Senior managers and staff that draft papers have been reminded during the year of requirements for all board papers and new templates have been produced to help ensure consistency.

Working with the Macpherson Review on quality assurance of government models

We continue to ensure that robust quality assurance arrangements are in place and this review is included as part of our finance department's annual review of Managing Public Money.

Framework for risk management

The organisation has recently reviewed its risk management framework and aligned its strategic risks to the Business Strategy. A new Single Risk Register was launched on 10 December 2018. This records all the organisational risks in one place. An external review of risk and assurance management was conducted this year by EY. The report made various recommendations for improving the consideration and oversight of risk management. The EXB has accepted the recommendations and is working to adopt a clearer 'three lines of defence' model and assurance map. Implementation will complete in the year 2019/20.

All senior managers who are or potentially may be responsible for identifying and managing risk have undertaken risk training.

To support and help develop our risk management policy, we have recruited an interim Risk and Assurance Manager and expect this to be followed by appointing a permanent Head of Risk and Assurance shortly. We have also recruited an interim Head of Business Continuity and expect to increase the size of the risk team.

The LRB, EXB and Audit Committee all consider the strategic risks of the organisation. The Board Legal Adviser acts as the EXB's risk champion until such time as a permanent Head of Risk is appointed. The strategic risks are reviewed quarterly and any key changes reported to EXB. A comprehensive risk review is completed each quarter in relation to the directorate held risks. These reviews are facilitated by the Risk Manager, with directors attending Audit Committee, at least annually, to report on the strategic risks they hold and their key directorate held risks. Lead indicators are monitored to provide early warning of changes in strategic risk which are then acted upon.

There are currently 14 strategic risks, 13 of which are aligned to the objectives contained in the Business Strategy and for which individual EXB members have specific individual responsibility. Aligning the strategic risks to the strategic objectives ensures the emphasis is focused on achieving our ambitions as set out in the Business Strategy. A description of the strategic risks is set out in the Performance Report. The 14th risk relates to EU exit.

HM Land Registry's key strategic risks include ensuring the capacity of staff to deliver our core services, the quality of the register, combating and preventing fraud, cyber security and resilience of our systems.

In November 2018, a new reporting system, Fusion, replaced our existing HR and Finance systems. This transition was a risk that could have potentially impacted our accounting and revenue capabilities. Although there was a delay in the go-live date, the system is now operational and is managed at directorate level. There have been and remain difficulties with some aspects of its functionality that we are endeavouring to resolve with our suppliers.

In December 2018 we had a power failure at one of our data centres that affected a number of our key systems. External services were back online quickly on the same day, with the majority of customers being able to use our services with minimal disruption. We reviewed both the cause of the incident and our response for lessons learned. Enhancements to improve system resilience have been put in place as a result.

Whistleblowing

No new whistleblowing cases have been reported this year. We have continued to make staff aware of our policy. A recent Internal Audit report gave our procedures a substantial assurance.

The report recommended line manager training, which is now being coordinated, and additional signposting to the policy for staff, which is in hand and due to be completed by the end of the first quarter of 2019/20.

Information and cyber risk

Information risk is the responsibility of all staff. The Board Legal Adviser is also the Senior Information Risk Officer (SIRO). The SIRO is assured by information risk returns carried out by our Information Asset Owners (IAOs) and fully documented asset descriptions. A deputy SIRO has recently been recruited and will support the SIRO to advise senior colleagues on how to manage security risks and to assess information risks to the organisation.

HM Land Registry is in the process of recruiting a Security Adviser, as approved by the Cabinet Office under the Transforming Government Security programme. This Government programme is designed to ensure that all security arrangements, physical, personnel and cyber, are undertaken to common high standards across Government, led by the Cabinet Office and the National Cyber Security Centre.

In the meantime, HM Land Registry is maturing its cyber defences, in collaboration with the National Cyber Security Centre, and has created a cyber project which brings together a number of cyber measures designed to combat and detect cyber crime.

Protecting information

All staff are required to complete the appropriate levels of information management training and undertake an online training activity every year. More than 95% of staff have undertaken the training in 2018/19.

We are continuing to work within the ISO27001 framework, the international standard for information security management, which we have done now for almost 15 years. The standard works on a three-yearly recertification cycle and we are due to be recertified in 2020. The standard is comprehensive and includes IT security, physical security, information management, business continuity and risk management. The latest review has just taken place. This confirmed that all recommendations received last year have been addressed.

Response to Alexander Review and guidance for off-payroll contractors and revised recruitment processes

HM Land Registry continues to proactively monitor the systems and procedures relating to off-payroll contractors to comply with changing requirements to provide assurance that all contractors engaged by HM Land Registry are complying with appropriate tax and NIC regulations. I am assured that our processes assume all off-payroll staff are subject to IR35.

The majority of our off-payroll staff are employed through Alexander Mann, and a requirement within this framework is that staff are employees of the introducing agency with tax/NI deducted at source. For those coming to us through another route, we ensure in advance that they understand the IR35 requirements and the need to demonstrate compliance – this is normally provided by way of a copy of their first payslip.

Litigation (Employment Tribunal cases)

At the start of the 2018/19 financial year there were two ongoing Employment Tribunal claims. One was originally raised in August 2017 and settled in April 2018, including payment being made to the claimant, an ex-employee. A further claim raised by a current employee in March 2018 did not reach a conclusion before the end of the financial year.

During 2018/19 two further Employment Tribunal claims were made against HM Land Registry. These are all still ongoing with one claim being made by a current employee and one being made by a former employee.

Central controls

My role as Acting Chief Executive and Chief Land Registrar is to carry out the role of Chief Land Registrar referred to in the Land Registration Act 2002, the Land Charges Act 1972 and the Agricultural Credits Act 1928 and the Local Land Charges Act 1975 as amended by the Infrastructure Act 2015. The Chief Executive and Chief Land Registrar is responsible for keeping the registers established for the purposes of those Acts and

has all the powers, responsibilities and duties conferred and imposed on the Registrar by those Acts and by the rules and other secondary legislation made under them. In carrying out those specific operational functions the Chief Executive and Chief Land Registrar is not subject to any ministerial control or direction. They are subject to supervision by the court.

In managing its business more generally, HM Land Registry operates within the delegations framework as defined by the Cabinet Office for arm's-length bodies and the specific delegations authorised by officials at BEIS. There is also a requirement to work with the Government Digital Service to ensure that product releases conform to standards in terms of security, effectiveness and consistency. Before products are released as betas, HM Land Registry must submit products and comply with the conditions specified by the Government Digital Service.

Procurement assurance

I am assured by the Chief Financial Officer, regarding specific procurements, that procurement activities are conducted in line with Cabinet Office and HM Treasury guidance and that senior managers have complied with these and HM Land Registry specific procurement guidelines.

Performance reporting

In addition to the monthly financial reports from the Chief Financial Officer, I receive information on operational performance through a performance hub, which is compiled from wider performance data received and reviewed by the Performance Panel before its submission monthly to the EXB. I also receive update papers and presentations from management teams to me and my EXB.

I regularly visit the operational offices and Head Office groups, as do all the other members of the EXB, and we receive feedback on organisational performance and other issues of concern to our staff from colleagues at all levels of the organisation. I write a weekly blog. These are the subject of comment and feedback. Other directors also produce a weekly blog on rotation, covering important key messaging.

The operational visits provide vital feedback on quality, work in progress and speed of service outcomes. I also meet with a range of external stakeholders through planned visits, regular meetings and formal stakeholder engagement groups to understand their concerns and operational context.

Assurance reporting

All directors are required to submit a biannual statement of assurance covering their strategic and key directorate risks and the controls in mitigation of these. The draft statements of assurance are challenged by all directors and subject matter experts in a twice yearly Assurance Panel meeting. The interim statement of assurance was timed this year to coincide with the departure on 31 December 2018 of the Chief Land Registrar to ensure that he could incorporate those statements as part of his statement of assurance to that date.

The EXB and the Audit Committee also receive assurance from the Register Integrity Team regarding casework quality and the Counter-Fraud Group on fraud resilience. Part of our risk management maturity plan is to identify more clearly other parts of the organisation that could offer assurance to the board.

Internal Audit and opinion

For the 12 months ended 31 March 2019, the Head of Internal Audit's opinion for HM Land Registry is as follows: "HM Land Registry has an adequate and effective framework for risk management, governance and internal control to support the satisfactory achievement of its business objectives, and to enable key risks to be effectively managed. However, our work has identified further enhancements to the framework that are required to ensure that it remains adequate and effective".



Mike Harlow
Acting Chief Executive and Chief Land Registrar
1 July 2019

Remuneration and staff report

Policy for senior civil servants

The remuneration of senior civil servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

In reaching its recommendations, the Review Body has regard to:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

The salary of the Chief Land Registrar and Chief Executive is set by BEIS. The HM Land Registry Remuneration and Nomination Committee, acting on the authority of the HM Land Registry Board, considers pay recommendations provided by line managers and decides the distribution of performance pay in the annual pay review for HM Land Registry senior civil servants, in accordance with Cabinet Office guidance.

Both base pay and non-consolidated performance related awards are dependent on performance, which is assessed through an annual appraisal system for senior civil servants, more details of which can be found at <https://www.gov.uk/government/publications/senior-civil-service-performance-management>.

During the year the members of the Remuneration and Nomination Committee were Non-Executive Directors Diana Breeze (Chair) and Chris Morson, Chief Executive and Chief Land Registrar Graham Farrant (until his appointment ended 31 December 2018) and Mike Harlow as Acting Chief Executive and Chief Land Registrar (from 1 January 2019) and attended by Director of Human Resources and Organisation Development Caroline Anderson (until her appointment ended 15 March 2019) and by Acting Director of Human Resources and Organisation Development Jon Cocking (from 1 March 2019).

Policy for other civil servants

Pay for HM Land Registry employees who are not in SCS grades is determined each year following negotiation and consultation between HM Land Registry and the unions, and is subject to approval by the Secretary of State, taking into account guidance issued by HM Treasury.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition.

The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise specified, all the directors covered by this report hold appointments that are open-ended and are subject to a notice period of three months. Early termination for the directors on open-ended service contracts, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Off-payroll disclosure

Off-payroll engagements as at 31 March 2019, for more than £245 per day and that last for longer than six months.

	2018/19	2017/18
Existing engagements as of 31 March 2019	17	21
Of which existing:		
— for less than one year at time of reporting	15	20
— for between one and two years at time of reporting	2	1
— for between two and three years at time of reporting	–	–
— for between three and four years at time of reporting	–	–
— for four or more years at time of reporting	–	–
New off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months.		
New engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	25	23
Of which:		
— have been assessed as caught by IR35	21	19
— have been assessed as not caught by IR35	4	4
— have been terminated as a result of assurance not being received	–	1
Number engaged directly (via PSC contracted to department) and are on the departmental payroll.	0	1
Number of engagements reassessed for consistency/assurance purposes during the year.	25	23
Number of engagements that saw a change to IR35 status following the consistency review.	–	–
Off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2018 and 31 March 2019		
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	–	–
Total number of individuals on payroll and off payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on-payroll and off-payroll engagements.	11	12

Expenditure on consultancy

	2018/19	2017/18
	£'000	£'000
Cost of consultancy	714	676
Total	714	676

Salary and performance pay – executive directors¹ 2018/19

	Salary £'000	Performance pay £'000	Benefits in kind To nearest £100	Pension benefits ² £	Total £'000
Graham Farrant ³ Chief Executive and Chief Land Registrar	145 – 150	–	–	–	145 – 150
Annual equivalent	(195 – 200)	–	–	–	(195-200)
Mike Harlow ⁴ Acting Chief Executive and Chief Land Registrar	120 – 125	–	–	139,000	260 – 265
John Abbott Director of Digital, Data and Technology	115 – 120	10 – 15	–	46,000	175 – 180
Caroline Anderson ⁵ Director of Human Resources and Organisation Development	90 – 95	–	–	37,000	125 – 130
Annual equivalent	(95 – 100)	–	–	–	(95 – 100)
Jon Cocking ⁶ Acting Director of Human Resources and Organisation Development	5 – 10	–	–	29,000	35 – 40
Annual equivalent	(85 – 90)	–	–	–	(85 – 90)
Ruth Curry ⁷ Acting Director of Finance and Business Services	75 – 80	–	–	55,000	130 – 135
Annual equivalent	(90 – 95)	–	–	–	(90 – 95)
Iain Banfield ⁸ Chief Financial Officer	15 – 20	–	–	40,000	55 – 60
Annual equivalent	(100 – 110)	–	–	–	(100 – 110)
Chris Pope Chief Operations Officer	130 – 135	–	–	51,000	180 – 185
Karina Singh Director of Transformation	105 – 110	–	–	186,000	290 – 295
Robin Malpas ⁹ Acting General Counsel and Deputy Chief Land Registrar	20 – 25	–	–	106,000	125 – 130
Annual equivalent	80 – 85	–	–	–	80 – 85
Mike Westcott-Rudd Board Legal Adviser	80 – 85	–	–	1,000	80 – 85

- Audited.
- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
- Graham Farrant's appointment ended on 31 December 2018.
- Mike Harlow was placed on temporary promotion to Acting Chief Executive and Chief Land Registrar on 1 January 2019. The salary figure includes a period from 1 April 2018 to 31 December 2018 where Mike was General Counsel and Deputy Chief Land Registrar.
- Caroline Anderson's appointment ended on 15 March 2019.
- Jon Cocking was placed on temporary promotion on 1 March 2019. The disclosed amounts above relate to his appointment as Acting Director of Human Resources and Organisation Development.
- Ruth Curry's appointment ended as Acting Director of Finance and Business Services on 3 February 2019. Due to an error in the application of a pay increase, the salary paid to Ruth Curry in 2017/18 was incorrect. The overpayment was recovered during 2018/19. The correct annual equivalent figure for 2017/18 was (85 – 90).
- Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019.
- Robin Malpas was placed on temporary promotion on 1 January 2019. The disclosed amounts relate to his appointment as Acting General Counsel and Deputy Chief Land Registrar.

Salary and performance pay – executive directors¹ 2017/18

	Salary £'000	Performance pay £'000	Benefits in kind To nearest £100	Pension benefits ² £	Total £'000
Graham Farrant Chief Executive and Chief Land Registrar	195 – 200	–	–	–	195 – 200
Catherine Vaughan ³ Director of Finance and Business Services	45 – 50	10 – 15	–	19,000	75 – 80
Annual equivalent	(125 – 130)	–	–	–	(125 – 130)
John Abbott Director of Digital, Data and Technology	115 – 120	10 – 15	–	45,000	170 – 175
Caroline Anderson Director of Human Resources and Organisation Development	95 – 100	–	–	37,000	130 – 135
Alasdair Lewis ⁴ Director of Legal Services	55 – 60	–	–	(4,000)	55 – 60
Annual equivalent	(95 – 100)	–	–	–	(95 – 100)
John Peadar ⁵ Director of Operations	25 – 30	–	–	(3,000)	20 – 25
Annual equivalent	(100 – 105)	–	–	–	(100 – 105)
Ruth Curry ⁶ Acting Director of Finance and Business Services	50 – 55	–	–	91,000	145 – 150
Annual equivalent	(90 – 95)	–	–	–	(90 – 95)
Chris Pope ⁷ Chief Operations Officer	55 – 60	–	–	21,000	75 – 80
Annual equivalent	(130 – 135)	–	–	–	(130 – 135)
Karina Singh ⁸ Director of Transformation	45 – 50	–	–	119,000	160 – 165
Annual equivalent	(105 – 110)	–	–	–	(105 – 110)
Mike Harlow ⁹ General Counsel and Deputy Chief Land Registrar	20 – 25	–	–	7,000	25 – 30
Annual equivalent	(120 – 125)	–	–	–	(120 – 125)
Mike Westcott-Rudd ¹⁰ Board Legal Adviser	85 – 90	–	–	15,000	100 – 105

1. Audited.
2. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
3. Catherine Vaughan's appointment ended on 3 September 2017.
4. Alasdair Lewis's appointment ended on 31 October 2017.
5. John Peadar's appointment ended on 30 June 2017.
6. Ruth Curry was placed on temporary promotion on 1 September 2017. The disclosed amounts above relate to her appointment as Acting Director of Finance and Business Services.
7. Chris Pope joined on 25 October 2017.
8. Karina Singh joined on 1 November 2017.
9. Mike Harlow joined on 1 February 2018.
10. This includes a period from 1 November 2017 to 31 January 2018 where Mike Westcott-Rudd was acting Director of Legal Services.

Salary – non-executive directors¹

	2018/19 £'000	2017/18 £'000
Michael Mire Non-Executive Chair	55 – 60	55 – 60
Claire Wren ² Non-Executive Director	–	–
Diana Breeze Non-Executive Director	20 – 25	0 – 5
Annual equivalent		(20 – 25)
Kirsty Cooper Non-Executive Director	20 – 25	0 – 5
Annual equivalent		(20 – 25)
Chris Morson Non-Executive Director	20 – 25	0 – 5
Annual equivalent		(20 – 25)
Doug Gurr ³ Non-Executive Director	–	–
Angela Morrison Non-Executive Director	20 – 25	0 – 5
Annual equivalent		(20 – 25)

1. Audited.
2. Claire Wren represents the interests of UK Government Investments (UKGI) and does not receive any remuneration from HM Land Registry.
3. Doug Gurr does not receive any remuneration from HM Land Registry.

Salary

'Salary' includes gross salary, reserved rights to London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. The tables on pages 68 to 70 are based on accrued payments made by HM Land Registry and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by HM Land Registry and treated by HM Revenue & Customs as a taxable emolument.

Performance awards

Awards are based on performance levels attained and are made as part of the performance review process. The awards reported relate to the performance in the year in which they were paid to the individual. Therefore, the awards reported in 2018/19 relate to performance in 2017/18 and the comparative awards reported for 2017/18 relate to performance in 2016/17.

Pension benefits¹

	Real increase in pension and lump sum at 60		Total accrued at March 2019		Cash equivalent transfer value (CETV) at 31 March		Real increase in CETV after adjustment for inflation and changes in investment factors
	Pension £'000	Lump sum £'000	Pension £'000	Lump sum £'000	2019 £'000	2018 £'000	
Graham Farrant ² Chief Executive and Chief Land Registrar	–	–	–	–	–	–	–
Mike Harlow Acting Chief Executive and Chief Land Registrar	5 – 7.5	–	25 – 30	–	412	265	102
John Abbott Director of Digital, Data and Technology	2.5 – 5	–	10 – 15	–	155	109	18
Caroline Anderson Director of Human Resources and Organisation Development	0 – 2.5	–	10 – 15	–	175	130	25
Jon Cocking Acting Director of Human Resources and Organisation Development	0 – 2.5	–	25 – 30	–	401	331	13
Ruth Curry Acting Director of Finance and Business Services	2.5 – 5	2.5 – 5	30 – 35	70 – 75	558	459	36
Iain Banfield ³ Chief Financial Officer	0 – 2.5	2.5 – 5	20 – 25	40 – 45	290	263	24
Chris Pope Chief Operations Officer	2.5 – 5	–	10 – 15	–	177	120	35
Karina Singh Director of Transformation	7.5 – 10	7.5 – 10	40 – 45	45 – 50	754	534	143
Robin Malpas Acting General Counsel and Deputy Chief Land Registrar	2.5 – 5	12.5 – 15	30 – 35	100 – 105	753	589	102
Mike Westcott-Rudd Board Legal Adviser	0 – 2.5	0 – 2.5	30 – 35	100 – 105	763	725	0

1. Audited.
2. Graham Farrant chose not to be covered by the Civil Service pension arrangements during the reporting year.
3. Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019.
4. No director paid into a stakeholder pension.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Reporting of Civil Service and other compensation schemes – exit packages¹

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
£0–£10,000	–	–	4	4	4	4
£10,001–£25,000	–	–	1	–	1	–
£25,001–£50,000	–	–	–	1	–	1
£50,001–£100,000	–	–	2	4	2	4
£100,001–£150,000	–	–	–	2	–	2
£150,001–£200,000	–	–	–	–	–	–
>£200,000	–	–	–	–	–	–
Total number of exit packages	–	–	7	11	7	11
Total cost	–	–	£166,862	£587,258	£166,862	£587,258

1. Audited.

There were no ex-gratia payments in 2018/19 (2017/18: none).

Compensation for loss of office

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of contractual agreement to depart. Where applicable, the additional costs of buy-out of reduced pension benefit are met by HM Land Registry and not by the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

Pay multiples¹

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Total remuneration includes salary, non-consolidated performance-related payments and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2018/19	2017/18
Band of highest paid director's total remuneration (£'000)	195 – 200	195 – 200
Median total (£)	26,213	25,378
Remuneration ratio	7.5	7.8

1. Audited.

In 2018/19 no employees received remuneration in excess of the highest paid permanent director. Remuneration ranged from £195,000 – £200,000 to £15,000 – 20,000 (2017/18: £195,000 – £200,000 to £15,000 – £20,000).

Staff report as at 31 March 2019

	2018/19	2017/18
Number of employees (including fixed-term appointments)	5,619	5,216
Permanent full-time equivalents	5,074	4,719
Number of apprentices	62	321
Number of temporary/contract staff	17	27
Average sickness days per employee	7.3	7.5
Average number of training days per employee	4.4	5.2
Training days per apprentice	45	25
Training spend as percentage of salary bill	0.38%	0.4%
Female employees	60.5%	60.1%
Employees working part-time	33.2%	32.6%
Employees from ethnic minorities	5.6%	4.8%
Employees who report they have a disability	8.5%	8.6%

Staff costs for 2018/19

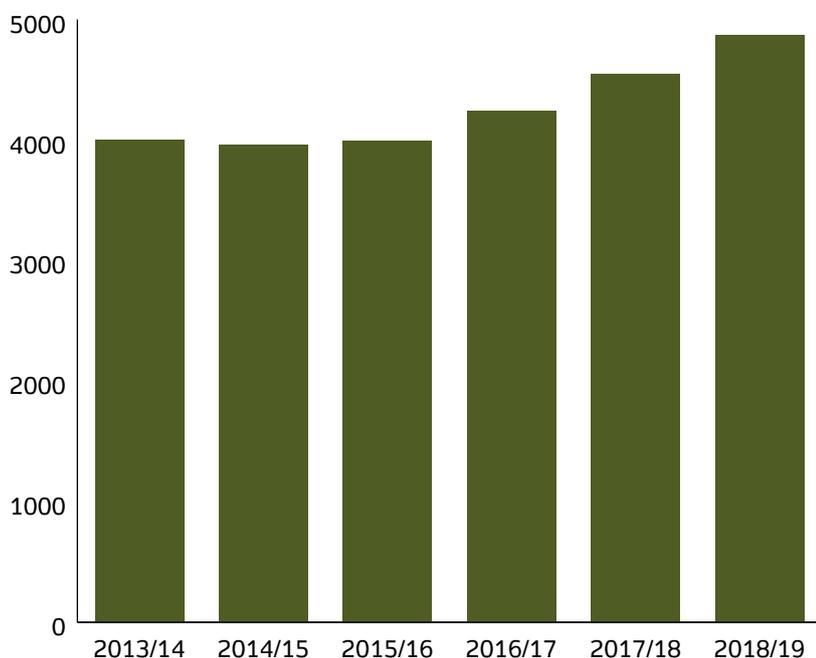
	Permanent staff £'000	Apprentices £'000	Others £'000	Total £'000
Salaries	158,851	3,844	1,416	164,111
Social security costs	15,415	171	117	15,703
Other pension costs	28,476	670	206	29,352
Total staff costs	202,742	4,685	1,739	209,166

Gender analysis at 31 March 2019

	Male	Female	Total
Non-executive board members	3	4	7
Executive directors ¹	7	1	8
Senior Civil Service – band 2 ¹	4	1	5
Senior Civil Service – band 1 ¹	10	5	15
Permanent employees (not including SCS) ²	2,178	3,378	5,556
Apprentices ²	36	26	62

1. Some Senior Civil Service employees are also directors and are included in both categories.
2. Some Apprentices are also Permanent employees and are included in both categories.

Average full-time equivalent in year



Resourcing

HM Land Registry is governed by the Civil Service Commission Recruitment Principles which requires the selection of people for appointment to be on merit and on the basis of fair and open competition.

In addition, all our job opportunities are subject to the Guaranteed Interview Scheme which ensures disabled people will progress to the next stage of the selection process if their application meets the minimum criteria. It is our policy to ensure that any tests used do not discriminate against disabled candidates.

Resourcing activity has addressed a number of requirements including:

- addressing front-line needs to meet and maintain service delivery standards and to address future workforce sustainability;
- enhancing specific capability areas, particularly in digital transformation and agile development skills; and
- establishing a new senior management structure with clear accountabilities to provide greater support and drive resilience and succession planning.

We have supplemented our digital transformation and agile development capabilities through the engagement of delivery partners through the Government's Digital Services Framework.

Our apprenticeship schemes were expanded to provide the opportunity for people to gain a qualification in business administration, information technology or cyber-security. These entry routes allow them to learn the technical skills that could lead to future permanent employment with HM Land Registry, so creating the basis of a sustainable workforce.

Recruitment

In support of our core service standards, and to supplement our substantive workforce, a number of short-term fixed-term appointments were made, allowing our more experienced colleagues to focus on more complex core registration activities.

Off-payroll contractors have also been used to meet short-term needs in more specialist areas, and information regarding compliance and disclosures is included on page 67.

Health and wellbeing

Our People Strategy sets out the key people issues and challenges we face in delivering our Business Strategy, and how we plan to meet them. We will look to improve individual colleagues' resilience to change through the implementation of our Attendance, Health & Wellbeing Framework to ensure we continue to make HM Land Registry a great place to work. We will also aim to provide a holistic approach to health and wellbeing, setting clear expectations for all staff.

To achieve this aim our framework for attendance, health and wellbeing focuses on four key areas:

- culture – we will create the right environment to support attendance, health and wellbeing;
- prevention – we will help ourselves and others to stay healthier and stay in work;
- intervention – we will ensure that the right support is provided at the right time; and
- return to work – we will support our people back to work in a timely way.

The aim of our attendance, health and wellbeing delivery plan is to create a culture in HM Land Registry that recognises the importance of health and wellbeing, and to build an environment that supports our wellbeing and helps us to look after our own health. We are at our most productive and fully engaged at work when we are healthy, happy and feel able to be ourselves. In respect of mental health, we want to make a real difference in the way we view, talk and act on mental health – for HM Land Registry to be an organisation where mental health issues are widely understood and destigmatised; where our people will feel confident to talk about their mental ill health; and where our managers will be equipped to identify and understand the spectrum of mental health issues they may encounter and support those affected.

The plan has also been aligned to two external drivers. In October 2017 *Thriving at Work*, the Stevenson/Farmer review of mental health and employers commissioned by the Prime Minister, was published. It sets out recommended core standards on mental health support which all employers should meet, and enhanced standards which leading employers should meet. In line with the ambition for the Civil Service to be a leading employer on mental health, the Civil Service has accepted both the core and enhanced standards. The approach in the Civil Service is also supported by the 'Five Strategic Priorities for Health and Wellbeing (2017-2020)' to which every department within the Civil Service has signed up to in order to realise our ambition to be part of 'A Brilliant Civil Service'.

This year we have delivered a variety of initiatives to support our colleagues and the organisation, including:

- cross-HM Land Registry promotion and participation in health campaigns, supported by our network of local health and wellbeing committees, including mental health awareness, neurodiversity and suicide awareness;
- introduction of mental health first aiders into all HM Land Registry locations as a source of on-site support for people experiencing mental health crisis, signposting and further raising mental health awareness to help normalise conversations around mental health;
- rollout of Wellbeing Confident Leaders training to all senior leaders; and
- delivery of a range of formal and informal training initiatives, collaborating with our occupational health and employee assistance providers, providing line managers with guidance and advice to improve confidence and capability on sickness absence procedures and supporting staff dealing with physical and mental health issues.

Capability

Our Learning and Development Framework has continued to provide the focus for our skills development in 2018/19. We have delivered a comprehensive programme of leadership and management training, including a series of masterclasses for our senior leaders focusing on key leadership expectations. Workshops dedicated to training and upskilling new and existing line managers were delivered with 882 attendees of more than 80 workshops.

Other priority areas of focus for skills development have included the development of technical caseworker skills, financial and commercial awareness, change and project management and digital.

An average of 4.4 days per employee have been spent on training and 83% of staff indicated they had the knowledge and skills to do their job in the annual Civil Service People Survey.

We have conducted a further capability assessment against our generic and specialist skills that has confirmed our key areas of focus for future development in both our technical and professional functions.

Employee involvement

We continue to engage both informally and formally with our colleagues and their representatives.

Chief Executive and director blogs have been issued during the year on a weekly basis and colleagues have been encouraged to respond to these, with the aim of creating open and honest dialogue and exchange of views.

Managers are expected to have regular monthly discussions with individual team members to discuss openly employee performance, ideas for improvements to working practices, wider organisational issues, changes and any employee concerns.

We meet regularly with our trade unions. The Chief Executive and members of his team formally meet representatives at the Departmental Whitley Council meetings twice a year. There are structures in place for local Whitley meetings, and unions are consulted on specific issues.

Informal six-weekly dialogue between the Chief Executive and trade union leads has continued during the year. Day-to-day operation of employment relations is managed through monthly engagement and consultation meetings between senior management and departmental trade union representatives. We continued with fortnightly Model Office consultation meetings.

The Model Office approach to engaging with union colleagues has been to work in a more collaborative way. The unions have been part of the two site steering groups, resolving issues and concerns throughout the trials. This has been successful and issues have not been formally escalated to the fortnightly consultation meetings.

Latterly, we have changed the scope of the fortnightly meetings to cover the Transformation agenda rather than Model Office specifically.

We continue to co-monitor the use of facility time with union colleagues, and are within the 0.1% paybill guide figure set by and reported to Cabinet Office; for greater detail see Appendix F.

During the year we have again seen positive improvements in our engagement scores in the Civil Service People Survey, and regular internal surveys held during the year have shown these improvements have been maintained. We continue to be committed to further improvements in engagement and are combining our approach and planning to drive cultural change with a strong focus on behaviours. An executive lead has responsibility for an engagement key performance indicator and combined action plan. The aim is to create an environment where everyone feels valued and connected and which moves us towards the cultural change we have described through our People Strategy and with our people.

Constructive discussion with unions at both departmental and local level, in addition to encouraging staff involvement on other committees (including health and wellbeing, social and sports, diversity and charity), and directors' visits with question and answer sessions, are all essential in ensuring our colleagues' views are heard and understood.

Diversity

In this first year of our Diversity and Inclusion Action Plan (2018-2022) we have refined and strengthened our infrastructure so we continue to develop a truly inclusive environment for all employees, one that is welcoming, respectful, engaging and enriched with opportunities for personal and professional development.

Our new infrastructure brings together diversity and inclusion (D&I) and other functional areas across the organisation, to support a cohesive approach where transformation and culture are at the heart of what we do. More than 600 colleagues have been involved in 36 culture workshops, where colleagues from each office were invited to talk freely about the culture we have and to inform the development of the culture we want.

D&I awareness sessions have been held with all staff over the last 12 months, and we have ensured that D&I messages and celebrations are now firmly embedded in corporate communications planning. As a result, we have seen significantly higher Civil Service People Survey scores for D&I, including a 12% uplift in staff belief that we are committed to creating a diverse and inclusive workplace.

We have refreshed and reinvigorated our network of Inclusion Champions in every office, and they have begun to work with local leadership teams to ensure that our workforce not only reflects, but also supports, the communities in which we work.

In May, with support from our Disabled Employees' Network, we successfully achieved Disability Confident Leader accreditation and will continue to implement the positive recommendations from the assessment process over the coming months.

Our other staff networks, in particular our Women's Network and our Black, Asian and Minority Ethnic Network, have worked tirelessly with our HR Resourcing Teams to remove barriers to progression and to increase representation of women in our middle management grades. Their commitment and hard work has contributed directly to the achievement of our organisational key performance indicator (KPI) for D&I. In the last 12 months, we have created opportunities for 57 more women to work in these grades than at the start of the year.

This has also contributed in some part to good progress in reducing our gender pay gap, which we reported in December. The 15 actions we have taken this year to address the gap, including those around the representation of women, are beginning to have a positive impact.

In the next 12 months we will continue to build an inclusive culture and reputation that attracts, develops and fully engages diverse talent, and increases representation from underrepresented groups, particularly ethnic minority and disabled people. We will further embed our actions to support women into management roles, which will continue to be a KPI into year two of our four-year action plan.

To broaden our approach to representation, we will also develop a second KPI to measure the success of actions to improve the progression of black, Asian and minority ethnic staff from entry level grade into the first levels of management, supported by an overarching focus on the development of clearer data and metrics to better monitor and analyse our progress across our D&I programmes.

Parliamentary accountability and audit report

Fees and charges¹

The following information on the main activities of HM Land Registry is produced for fees and charges purposes and does not constitute segmental reporting under IFRS 8.

	2018/19			2017/18		
	Income £'000	Total costs £'000	Surplus £'000	Income £'000	Total costs £'000	Surplus £'000
Registration of title ²	308,745	288,723	20,022	304,550	253,924	50,626
Land Charges and Agricultural Credits ³	7,004	988	6,016	6,875	897	5,979
Commercial ⁴	4,504	2,468	2,036	5,760	2,603	3,157
	320,253	292,179	28,074	317,185	257,424	59,762

1. Audited
2. Registration of title - includes HM Land Registry's statutory duties under the Land Registration Act 2002
3. Land charges and agricultural credits - register of short-term loans secured on farming stock and other agricultural assets
4. Commercial – includes commercial release of HM Land Registry data

HM Land Registry applied cost allocation and charging requirements as set out in HM Treasury guidance. However, due to the demand for our services exceeding our expectations, the recommended rate of return has been exceeded.

Losses and special payments⁵

There are no losses or special payments to disclose, as the total of all losses was below £300,000 and there have been no special payments.

5. Audited



Mike Harlow

Acting Chief Executive and Chief Land Registrar
1 July 2019

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of HM Land Registry for the year ended 31 March 2019 under the Government Trading Funds Act 1973. The financial statements comprise: the Statement of Comprehensive Income, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Reserves; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of HM Land Registry's affairs as at 31 March 2019 and of its retained surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of HM Land Registry in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HM Land Registry's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Chief Executive for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HM Land Registry's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Other Information

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Trading Funds Act 1973;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

1 July 2019

Financial statements

Statement of comprehensive income for the year ended 31 March 2019

		2018/19	2017/18
	Notes	£'000	£'000
Income from contracts with customers	2	320,253	317,185
Miscellaneous income	2.1	2,967	–
Cost of service	2	(270,414)	(232,147)
Gross surplus		52,806	85,038
Administrative expenses	2	(21,765)	(25,276)
Operating surplus	2	31,041	59,762
Gain/(Loss) on disposal of non-current assets		39	(22)
Investment income – interest receivable	5	3,068	1,462
Finance costs	6	(633)	(658)
Restructure and reorganisation costs	3.2	3,494	(5,701)
Local Land Charges revenue costs	3.3	(4,681)	(1,298)
Surplus for the financial year		32,328	53,545
Dividend payable	7	(27,264)	(28,706)
Retained surplus/(loss) for the financial year		5,064	24,839
Gain/(Loss) on revaluation of property, plant and equipment		2,273	(726)
Comprehensive surplus/(loss) for the financial year		7,337	24,113

The notes on pages 86 to 106 are an integral part of these accounts.

Statement of financial position as at 31 March 2019

		2018/19	2017/18
	Notes	£'000	£'000
Non-current assets			
Property, plant and equipment	8.1	60,638	55,742
Investment property	8.4	2,950	2,750
Intangible assets	9	25,227	17,032
Other receivables	12.2	1,498	2,219
Total non-current assets		90,313	77,743
Current assets			
Contract assets	11	5,670	6,648
Trade and other receivables	12.1	10,279	9,365
Held-to-maturity investments	10	–	230,335
Cash and cash equivalents	13	519,798	308,739
Total current assets		535,747	555,087
Non-current assets classified as held for sale	8.3	–	2,100
Total assets		626,060	634,930
Current liabilities			
Trade and other payables	14.1	67,373	85,264
Obligations under finance leases	14.1, 15.1	241	213
Short-term provisions	16.1	4,945	5,426
		72,559	90,903
Indemnity Fund	16.2	95,400	91,000
Total current liabilities		167,959	181,903
Non-current assets plus net current assets		458,101	453,027
Non-current liabilities			
Obligations under finance leases	14.2, 15.1	4,282	4,523
Long-term provisions	16.1	927	2,124
Total non-current liabilities		5,209	6,647
Net assets		452,892	446,380
Capital and reserves			
Public Dividend Capital		61,545	61,545
Revaluation reserve		20,308	18,096
Income and expenditure reserve		371,039	366,739
		452,892	446,380

The notes on pages 86 to 106 are an integral part of these accounts.



Mike Harlow
Acting Chief Executive and Chief Land Registrar
1 July 2019

Statement of changes in reserves for the year ended 31 March 2019

	Public Dividend Capital	Revaluation reserve	I&E reserve	Total reserves
	£'000	£'000	£'000	£'000
Balance at 31 March 2017	61,545	19,200	341,522	422,267
Changes in reserves 2017/18				
Revaluation reserve				
Transfer to retained earnings	-	(378)	378	-
Revaluation of non-current assets	-	-	-	-
Comprehensive surplus/(loss)	-	(726)	24,839	24,113
Balance at 31 March 2018	61,545	18,096	366,739	446,380
Impact of changes in accounting policy*			(825)	(825)
Adjusted balance at 31 March 2018	61,545	18,096	365,914	445,555
Changes in reserves 2018/19				
Revaluation reserve				
Transfer to retained earnings	-	(61)	61	-
Revaluation of non-current assets	-	-	-	-
Comprehensive surplus/(loss)	-	2,273	5,064	7,337
Balance at 31 March 2019	61,545	20,308	371,039	452,892

* The opening 2018/19 I&E reserve has been restated to reflect the impact of IFRS 15

The notes on pages 86 to 106 are an integral part of these accounts.

Public dividend capital represents the capital invested by the Government in HM Land Registry on its becoming a trading fund.

The I&E reserve represents the cumulative retained net income (after dividends) since HM Land Registry became a trading fund.

The Revaluation Reserve records the unrealised gain or loss on revaluation of assets.

Cash flow statement for the year ended 31 March 2019

	Notes	2018/19 £'000	2017/18 £'000
Net cash inflow from operating activities	19.1	43,547	65,632
Investing activities			
Purchase of tangible assets		(2,368)	(4,519)
Purchase of intangible assets		(13,816)	(8,646)
Proceeds on disposal of tangible assets		8	3,479
Interest received		3,359	953
(Increase)/decrease in investments in National Loans Fund	10	230,335	(230,335)
Net cash inflow from investing activities		217,518	(239,068)
Financing activities			
Dividends paid		(49,160)	(6,899)
Repayments of capital element of obligations under finance leases		(213)	(194)
Interest elements of obligations under finance leases	6	(633)	(658)
Net cash outflow from financing activities		(50,006)	(7,751)
Net increase/(decrease) in cash and cash equivalents	19.2	211,059	(181,187)
Cash and cash equivalents at beginning of year	19.2	308,739	489,926
Cash and cash equivalents at end of year	13	519,798	308,739

The notes on pages 86 to 106 are an integral part of these accounts.

Notes to the financial statements

1 Statement of accounting policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2018/19 and comply with the Accounts Direction given by HM Treasury in accordance with section 4 (6) (a) of the Government Trading Funds Act 1973. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that has been judged to be the most appropriate to the particular circumstances of HM Land Registry for the purposes of giving a true and fair view has been selected. HM Land Registry's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

These financial statements have been prepared on a going concern basis. Management is of the opinion that a going concern basis is appropriate as we are legally obliged under the Land Registration Act 2002 to provide statutory services relating to land registration and there are sufficient reserves to support the business going forward.

Accounting standards issued but not yet effective

IFRS 16 Leases came into effect on 1 January 2019. However, HM Treasury recommended that government departments defer this until 1 April 2020, although allowing early adoption under limited circumstances.

The change from 1 April 2020 is expected to affect five HM Land Registry property rentals, which are currently classified as operating leases, and together have a current lease capital value of £8.9m. Since HM Land Registry will create finance lease assets, and corresponding lease liabilities, net assets are not expected to change significantly. No extra funding will be required: instead of being charged rent, the quarterly repayments will instead be repayment of finance lease capital and interest expense, together with amortised depreciation of the leased asset values. This is not therefore expected to have a material effect on HM Land Registry.

New International Financial Reporting Standards affecting the 2018/19 Accounts

IFRS 15, which is effective from 2018/19, provides a comprehensive standard for income recognition. HM Land Registry recognises income primarily from the provision of land registration, and income recognition under IFRS 15 does not change the timing or value of income, when compared with previous years' treatment under IAS 18.

Work in progress (inventories), previously accounted for under IAS 2, is now accounted for under IFRS 15. This has impacted on the I&E Reserve and contract assets

balances. HM Land Registry has applied the cumulative catch-up method in the statement of changes in reserves, as allowed by the Standard, to reflect the change in accounting policy.

1.2 Accounting convention

The financial statements have been prepared under the historical cost convention modified for the revaluation of property, plant and equipment, investment property, assets held for sale and intangible assets to fair value as determined by the relevant accounting standard.

1.3 Estimation techniques

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgements that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current year are:

Note 8 - impairment of non-current assets

Note 9 - impairment of intangibles

Note 11 - inventories

Note 14 - deferred income - fees received in advance

Note 16.1 - early retirement, early severance and other provisions

Note 16.2 - estimated provision for indemnity claims.

1.4 Income from contracts with customers

IFRS 15 Revenue from Contracts with Customers has been adopted by the FReM with effect from 1 April 2018. The income recognition criteria of IFRS 15 are consistent with HM Land Registry accounting policy.

Income from fees and charges is recognised in the financial statements of the financial year in which the service is delivered. Income is recognised net of any refunds for transactions that are not completed, or on transactions where erroneous information is provided by customers.

Certain services require receipt of payment upon application, resulting in payments being received for services not yet delivered within the financial year being reported. These amounts are reported as contract liabilities and disclosed within current liabilities. Income is recognised once the contract performance obligation under IFRS 15 has been fulfilled, i.e. once the register has been fully updated following receipt of an application.

1.5 Operating segments

HM Land Registry's operating segments are organised around the services it provides and are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The three

main reportable business segments are: Registration of title; Land Charges and Agricultural Credits; and Commercial Income. This is based on the group's internal organisation and management structure, and is the primary way in which the CODM is provided with financial information. The CODM of HM Land Registry is Mike Harlow, Acting Chief Executive and Chief Land Registrar.

1.6 Employee benefits

The cost of providing employee benefits is recognised in the period in which HM Land Registry receives services from its employees, rather than when it is paid or payable. Short-term employee benefits are recognised as an expense in the period in which the employee renders the service. Performance payments are recognised only when there is a legal or constructive obligation to pay them and the costs can be reliably estimated. Termination benefits are recognised when it can be demonstrated that there is an irreversible agreement to terminate the employment of employee(s) before the schemes' retirement date or as a result of an offer to encourage voluntary redundancy.

1.7 Pensions

HM Land Registry employees are civil servants who are entitled to be members of the Principal Civil Service Pension Scheme (PCSPS) or the Civil Servant and Other Pension Scheme (CSOPS) - known as 'alpha'. These are unfunded multi-employer defined benefit schemes, but HM Land Registry is unable to identify its share of the underlying assets and liabilities on a reasonable and consistent basis. HM Land Registry has therefore accounted for contributions and payments to these schemes under International Accounting Standards (IAS) 19 as if they were defined contribution schemes. Liability for the payment of future benefits is a charge on the PCSPS or alpha scheme.

1.8 Property, plant and equipment

Freehold and leasehold land and buildings are professionally valued by external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Cushman & Wakefield, RICS registered valuers, carried out a full valuation in March 2019.

HM Land Registry is required by the FReM to disclose non-current assets in the statement of financial position at fair value. For assets in use the FReM requires valuation at existing use as an asset's fair value, rather than market value required by IFRS 13. Details of FReM adaptations which continue to apply for 2018/19 can be found on GOV.UK (search 'Financial Reporting Manual 2018/19').

For short-life non-property assets, historical cost is used as an approximation to the fair value of the asset. Freehold land and buildings and leasehold buildings are included at revaluation less accumulated depreciation and impairment losses. All other tangible non-current assets are included at historical cost less accumulated depreciation and impairment losses.

Assets in the course of construction are not depreciated. For other assets the depreciation charge is calculated so as to allocate the cost or revalued amount, less

the estimated residual value, of non-current assets systematically over their remaining useful lives using the straight-line method.

Other property, plant and equipment includes IT and office equipment and machinery. HM Land Registry capitalises expenditure over £1,000 for an individual asset. Where appropriate, individual assets falling below the minimum value for capitalisation are grouped. It is HM Land Registry's policy not to capitalise expenditure on fixtures and fittings, principally office furniture, as they are not considered material.

Asset lives are reviewed at the end of each financial year. The following asset depreciation rates are used.

Freehold land	nil
Freehold buildings	Estimated useful life
Leasehold buildings	Period of the lease or estimated useful life
Telecommunications equipment	5 years
Office equipment	5 years
Computers: mainframe	5 years
Computers: PCs	5 years
Structured cabling	10 years
Plant and heavy machinery	10 years

Non-current assets classified as held for sale are carried at fair value less costs to sell and are not depreciated. HM Land Registry classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use. To qualify, the asset must be available for immediate sale in its present condition and the sale must be highly probable.

1.9 Impairment of non-current assets

Impairment reviews are undertaken at each year end and if there are indications that the asset has suffered an impairment loss a charge is reflected in the statement of comprehensive income in the year in which it occurs. If the asset is carried at a revalued amount, the impairment loss is treated as a revaluation decrease, to the extent of the revaluation reserve that relates to the asset, with any excess in the statement of comprehensive income. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use.

1.10 Intangible assets

Software licences

Separately acquired intangible assets are shown at historical cost. The costs incurred to acquire and bring these assets to use are capitalised. These include contractors' charges, materials, directly attributable labour and directly attributable overhead costs.

Software licences are included at cost less accumulated amortisation. They are amortised on a straight line basis at a rate of

Mainframe	5 years
PCs	5 years

Software development costs

In accordance with IAS 38, expenditure incurred on developing new IT infrastructure (covering third-party costs and the direct costs of in-house staff effort) are capitalised. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by HM Land Registry are recognised as intangible assets when the following criteria are met.

- It is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefit;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

All research expenditure is written off as incurred.

Local Land Charges

HM Land Registry completed the building and development of a computerised register to hold the Local Land Charges data in July 2018.

As of 31 March 2019, the data relating to five local authorities has been added to the register and is in use.

Under IAS 38, development costs have been capitalised for two separate assets: a database to hold the information; and the data itself, which needs to be cleansed, digitised and migrated to this database. Following commencement of the register service, these components are amortised over their respective useful lives of

Local Land Charges register	5 years
Local Land Charges data	10 years

1.11 Investment property

Investment property is measured at fair value. Any gain or loss on disposal (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings (see note 1.8 for details of valuers).

1.12 Contract assets

Contract assets relate to incomplete applications that have been partially processed and have incurred costs - internal costs of staff and directly attributable overheads. The costs associated with the contract assets are derived from the average costs for producing the relevant service. These estimates, and the underlying assumptions, are reviewed on a regular basis.

1.13 Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for irrecoverable amounts. These impairment provisions are recorded in administrative expenses within the statement of comprehensive income. The carrying amount of trade receivables is deemed to be an approximation of fair value.

If collection of amounts receivable is expected in one year or less they are classified as current assets.

1.14 Financial Instruments

National Loans Fund investments with a duration greater than three months are treated as financial instruments and measured at fair value.

1.15 Cash and cash equivalents

Cash represents cash-in-hand, cash held with the Government Banking Service (GBS), cash on deposit with the National Loans Fund for up to three months and in commercial bank accounts. The commercial bank and GBS deposits are immediately available funds.

1.16 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are stated at their nominal value. The carrying amount of trade payables is deemed to be an approximation of fair value.

1.17 Provisions

HM Land Registry provides for legal and constructive obligations that are of uncertain timing or amount at the statement of financial position date, on the basis of management's best estimate at that date of the expenditure required to settle the obligation. Provisions are discounted to the expected present value of their future cash flows using a risk-free discount rate. As the effect of discounting is immaterial, it is included as part of the revaluation to that provision in year, rather than disclosed on a separate line.

Provisions are charged to the statement of comprehensive income and recorded as liabilities in the statement of financial position. (Further details, including sensitivities, are given in note 16.)

1.18 Indemnity Fund

Schedule 8 to the Land Registration Act 2002 requires HM Land Registry to indemnify third parties against loss caused by mistakes in the register, mistakes in search results and loss of documents by HM Land Registry. Most of HM Land Registry's indemnity claims arise as

a result of mistakes in the register, and some of these mistakes are the result of forgery of documents such as charges. Indeed fraud/forgery usually accounts for the largest share of indemnity payments, and this year is no exception. Under Schedule 8 to the Act, HM Land Registry has statutory rights to recover these payments from third parties, where it is the case that third parties are at fault, either wholly or partly, for the loss.

As at the current accounting date, future claim payments are uncertain in timing and amount. The Indemnity Fund is established on the basis of the best estimate of the expenditure required to settle the obligation. The Indemnity Fund is determined after considering actuarial estimates of the cost of claims reported but not settled, as well as claims incurred but not reported. The estimated cost of claims includes expenses incurred in settling these claims.

The carrying amount of the Indemnity Fund is derived from critical judgements, estimates and assumptions based upon historical experience and other factors which are considered to be relevant. These estimates and underlying assumptions are reviewed on a quarterly basis by Land Registry, supported by its independent actuaries, the Government Actuaries Department (GAD).

After the accounting date, a further review of claims received by HM Land Registry (up to the date the Accounting Officer approves the Annual Report and Accounts) is made to see if the indemnity fund is still appropriately valued. Provided in these accounts are the likely settlement values of current and future claims against the Indemnity Fund. Further details of the Indemnity Fund are shown in note 16.2 of this report.

1.19 Contingent liabilities

Where appropriate, liabilities that have only a possible chance of crystallising and do not meet the provisions criteria have been classified as contingent liabilities. This includes, but is not limited to, claims for losses arising from errors, or fraud in relation to HM Land Registry's statutory responsibility as insurer of titles in England and Wales (see note 18).

1.20 Finance leases

Where HM Land Registry retains all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. Future instalments payable under finance leases, net of finance charges, are included in liabilities with the corresponding asset values recorded in non-current assets and depreciated over the shorter of their estimated useful lives or their lease terms. Lease payments are apportioned between the finance element, which is charged to the statement of comprehensive income as interest, and the capital element, which reduces the outstanding obligation for future instalments.

1.21 VAT

HM Land Registry accounts for VAT on its statutory activities under HM Treasury's Taxing and Contracting Out of Services Directions. For non-statutory activity – which is business activity – VAT is charged and recovered according to commercial VAT rules. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets. Where output tax is charged or input tax is recoverable the amounts are stated net of VAT.

1.22 Treasury dividend

HM Land Registry is required to pay the Treasury an annual dividend being 3.5% of the average capital employed during the financial year plus the latest inflation estimate for the year, provided by the Office for National Statistics (ONS). HM Land Registry considers it sufficient to calculate this figure using an annual average. There is no material impact of calculating this figure using an alternative method, such as monthly average.

2 Business segments

International Financial Reporting Standard 8 (IFRS 8) – Operating Segments requires analysis of income and expenditure by principal business activities.

There are three separate areas for statutory services carried out by HM Land Registry: registration of title, registration of Land Charges and registration of mortgages made under the Agricultural Credits Act 1928. For operational purposes, HM Land Registry combines delivery of these latter two services and this is reflected in this segmental analysis.

HM Land Registry also provides a range of commercial services which is shown separately as a business segment.

Detailed in the table below is the income from statutory fees and commercial charges, the cost of service and the net surplus for each of the business segments. The cost of service and administrative expenses are allocated and apportioned on an appropriate basis for the service.

	Statutory		Non-statutory	2018/19	Statutory		Non-statutory	2017/18
	Registration of title	Land Charges and Agricultural Credits	Commercial income	Total	Registration of title	Land Charges and Agricultural Credits	Commercial income	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	308,745	7,004	4,504	320,253	304,550	6,875	5,760	317,185
Cost of service	(267,318)	(958)	(2,138)	(270,414)	(228,944)	(867)	(2,336)	(232,147)
Administrative expenses	(21,405)	(30)	(330)	(21,765)	(24,980)	(29)	(267)	(25,276)
Operating surplus	20,022	6,016	2,036	28,074	50,626	5,979	3,157	59,762

The surplus for registration of title has decreased by £31.2m compared with the prior year. This is due in part to staff costs including overtime to reduce backlog and planned recruitment.

Local Land Charges resource costs are currently shown in Note 3.3. Currently, the onboarding of Local Land Charges data is at an early stage and the quantitative criteria for separate reporting under IFRS 8 have not yet been met. As soon as any of the standard's criteria are met, this will be reported as a separate operating segment.

The policy for operating segments is contained within note 1.5.

2.1 Reconciliation between operating segments and Statement of Comprehensive Income

The table below shows the difference between our operating surplus in Note 2 and our operating surplus in our Statement of Comprehensive Income.

	Note	2018/19	2017/18
		£'000	£'000
Total operating surplus reported for operating segments	2	28,074	59,762
Reconciling items			
Miscellaneous income		2,967	-
Total operating surplus per Statement of Comprehensive Income	SoCI	31,041	59,762

Miscellaneous income was netted off expenditure prior to 2018/19. It includes rental income, refunds and other small value receipts that do not relate to the core business activities of HM Land Registry, and which are therefore not included within note 2.

3 Operating surplus

3.1 Operating surplus is stated after charging

	2018/19	2017/18
	£'000	£'000
Staff costs (see note 4.1)	209,166	190,510
Provision for indemnity costs (see note 16.2)	4,400	5,900
IT services	14,835	14,703
Hire of machinery	5,628	5,328
Auditor's remuneration – audit fee	98	65
Depreciation of tangible non-current assets – owned	4,109	3,801
Depreciation of tangible non-current assets – leased	241	361
Amortisation of intangible assets	2,972	610
Impairment in value of non-current assets	443	264
Charge for operating leases – buildings (see note 15.2)	1,570	1,669

3.2 Restructure and reorganisation costs

	2018/19			2017/18	
	Early retirement	Early severance	Total	Early retirement	Early severance
	£'000	£'000	£'000	£'000	£'000
Costs incurred in year	(3,494)	–	(3,494)	5,242	459
	(3,494)	–	(3,494)	5,242	459

HM Land Registry received a refund from MyCSP for £3.4m included in the 2018/19 accounts in respect of costs for early retirement, which were charged in error.

3.3 Local Land Charges

	2018/19	2017/18
	£'000	£'000
Revenue costs incurred in year	4,731	1,298
Local Land Charges fees	(50)	–
	4,681	1,298

The Infrastructure Act 2015 passed to HM Land Registry the responsibility for maintaining a register of Local Land Charges. Approval was given for a phased delivery of LLC and the phase 1 service went live in July 2018.

Revenue costs related to the development of this service are recorded separately and shown in the table above.

Capital costs are shown in Note 9.

4 Employee information

4.1 Staff costs

	2018/19				2017/18			
	Permanent staff	Apprentices	Others	Total	Permanent staff	Apprentices	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	158,851	3,844	1,416	164,111	134,260	7,481	7,579	149,320
Social security costs	15,415	171	117	15,703	13,304	186	618	14,108
Other pension costs	28,476	670	206	29,352	24,528	1,317	1,237	27,082
	202,742	4,685	1,739	209,166	172,092	8,984	9,434	190,510

4.2 Staff numbers

Average number of persons employed (full-time equivalent) by HM Land Registry during the year was made up as follows.

	2018/19				2017/18			
	Permanent staff	Apprentices	Others	Total	Permanent staff	Apprentices	Others	Total
Senior management	9	–	1	10	6	–	1	7
Operational	3,796	62	39	3,897	3,001	336	267	3,604
Administration	466	3	4	473	514	5	11	530
IT	467	18	8	493	398	15	6	419
	4,738	83	52	4,873	3,919	356	285	4,560

4.3 The salary and pension entitlements of the Chief Executive and the directors of HM Land Registry are included in the Remuneration and Staff report on pages 66 to 78.

4.4 Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but HM Land Registry is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2018/19, employers’ contributions of £29.0m were payable to the PCSPS (2017/18 £26.9m) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018/19 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £84,869 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £6,266, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £26,199. Contributions prepaid at that date were £0.

Nine individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £28,395 (2017/18: £30,575).

Further information relating to pension arrangements can be found in the Remuneration and staff report on pages 66 to 78 and note 1.7.

5 Investment income

	2018/19	2017/18
	£'000	£'000
Interest on bank deposits	3,068	1,462

6 Finance costs

	2018/19	2017/18
	£'000	£'000
Interest on obligations under finance leases	633	658

7 Dividend payable

	2018/19	2017/18
	£'000	£'000
Dividend payable	27,264	28,706

See note 1.22 for the accounting policy relating to dividend payments.

8 Property, plant and equipment

8.1 Cost or valuation

	Property Freehold		Leasehold	Plant and equipment			Total
	Land	Buildings	Buildings	Assets under construction	IT-related assets	Other plant and equipment	
	£'000	£'000	£'000	£'000	£'000	£'000	
At 1 April 2018	9,025	49,643	13,021	737	65,922	4,967	143,315
Additions	-	-	-	-	2,668	372	3,040
Assets brought into use	-	-	-	(723)	723	-	-
Revaluation in year	300	1,496	487	-	-	-	2,283
Reclassification of assets	-	-	(300)	-	2,649	-	2,349
Impairment	-	(333)	(10)	-	-	-	(343)
Disposals	(80)	(4)	(35)	-	(547)	-	(666)
Tfr from asset held for sale	550	1,550	-	-	-	-	2,100
At 31 March 2019	9,795	52,352	13,163	14	71,415	5,339	152,078

Accumulated depreciation

At 1 April 2018	-	18,136	5,701	-	60,133	3,602	87,572
Provided during the year	-	1,394	637	-	3,076	238	5,345
Current cost revaluation	-	(510)	(395)	-	-	-	(905)
Reclassification of assets	-	-	-	-	(88)	-	(88)
Disposals	-	(1)	(32)	-	(451)	-	(484)
Tfr from asset held for sale	-	-	-	-	-	-	-
At 31 March 2019	-	19,019	5,911	-	62,670	3,840	91,440
Carrying amount at 31 March 2019	9,795	33,333	7,252	14	8,745	1,499	60,638

8.2 Cost or valuation

	Property		Leasehold Buildings	Plant and equipment		Other plant and equipment	Total
	Freehold			Assets under construction	IT-related assets		
	Land	Buildings					
	£'000	£'000	£'000	£'000	£'000	£'000	
At 1 April 2017	8,705	47,805	12,463	–	71,066	4,413	144,452
Additions	–	–	–	979	2,468	691	4,138
Assets brought into use	–	–	–	(242)	242	–	–
Revaluation in year	320	2,071	558	–	–	–	2,949
Reclassification of assets	–	–	–	–	(389)	–	(389)
Impairment	–	(233)	–	–	–	–	(233)
Disposals	–	(250)	–	–	(7,465)	(137)	(7,852)
Tfr from asset held for sale	–	250	–	–	–	–	250
At 31 March 2018	9,025	49,643	13,021	737	65,922	4,967	143,315

Accumulated depreciation

At 1 April 2017	–	17,280	5,453	–	64,617	3,509	90,859
Provided during the year	–	1,450	637	–	2,778	167	5,032
Current cost revaluation	–	(594)	(389)	–	–	–	(983)
Reclassification of assets	–	–	–	–	112	–	112
Disposals	–	–	–	–	(7,374)	(73)	(7,447)
Tfr from asset held for sale	–	–	–	–	–	–	–
At 31 March 2018	–	18,136	5,701	–	60,133	3,602	87,573
Carrying amount at 31 March 2018	9,025	31,507	7,320	737	5,789	1,365	55,742

See note 1.8 for details of the property, plant and equipment accounting policy.

See note 1.9 for details of the impairment accounting policy.

See note 8.4 for details of investment property.

The carrying amount of land and buildings including investment property at market value is £42.6m.

At the end of the year, the net amount relating to finance leases within the leasehold carrying amount above was £0.0m, based on external valuation (2017/18: £0.0m). However, there remains a finance lease obligation at 31 March 2019 of £4.5m (see note 15.1).

8.3 Non-current assets classified as held for sale

	2018/19	2017/18
	£'000	£'000
At 1 April	2,100	6,982
Transfers to non-current assets	(2,100)	(250)
Impairment on assets sold	–	(31)
Revaluation Reserve Movement	–	(3,439)
Reversal of impairment	–	–
Disposals	–	(1,162)
At 31 March	–	2,100

The purchaser for Parkside Court, Telford, withdrew their offer to buy the site and, after a review showed that the likelihood of a sale within the next 12 months was unlikely, the land and property has been transferred back to non-current assets and revalued to an existing use valuation.

HM Land Registry has no non-current assets held for sale as at 31 March 2019.

8.4 Investment property

	2018/19	2017/18
	£'000	£'000
At 1 April	2,750	4,920
Revaluation in year	–	(70)
Reclassification of assets	300	–
Disposals	(100)	(2,100)
At 31 March	2,950	2,750

Investment property comprises a number of properties that are leased to third parties either in part or whole. The leases have different non-cancellable periods with current break option points ranging from six months to eight years. One lease has an annual rent review period, two are five yearly and one has none. Increases are linked to market rent based on comparables. None have an automatic right of renewal. Further information about these leases is included in note 15.2.

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of HM Land Registry's investment properties annually (see note 1.8 for details of valuers).

The fair value of investment properties are all Level 3 on the fair value hierarchy, because they are valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between Level 2 and Level 3 fair value disclosures during the year.

Each investment property is measured based upon active market prices adjusted where necessary for any difference in nature, location or condition of each specific property. The active market price is the market rent taking into account any expected or anticipated periods of non-occupancy by a future tenant.

9 Intangible assets

9.1 Cost or valuation

	E-security	Portal	Business Gateway	Assets under development	Local Land Charges	Software licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2018	9,691	15,967	1,766	14,995	-	43,049	85,468
Additions	-	-	-	10,007	-	3,809	13,816
Assets brought into use	-	-	-	(19,113)	19,113	-	-
Reclassification	-	-	-	-	-	(2,649)	(2,649)
Disposals	-	-	-	-	-	-	-
At 31 March 2019	9,691	15,967	1,766	5,889	19,113	44,209	96,635
Amortisation							
At 1 April 2018	9,691	15,967	1,766	-	-	41,012	68,436
Charge for the year	-	-	-	-	2,091	793	2,884
Reclassification of assets	-	-	-	-	-	88	88
Disposals	-	-	-	-	-	-	-
At 31 March 2019	9,691	15,967	1,766	-	2,091	41,893	71,408
Carrying amount at 31 March 2019	0	0	0	5,889	17,022	2,316	25,227

9.2 Cost or valuation

	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2017	9,691	15,967	1,766	6,834	-	43,659	77,917
Additions	-	-	-	8,175	-	471	8,646
Assets brought into use	-	-	-	(14)	-	14	-
Reclassification	-	-	-	-	-	390	390
Disposals	-	-	-	-	-	(1,484)	(1,484)
At 31 March 2018	9,691	15,967	1,766	14,995	-	43,049	85,468
Amortisation							
At 1 April 2017	9,691	15,967	1,766	-	-	41,886	69,310
Charge for the year	-	-	-	-	-	722	722
Reclassification of assets	-	-	-	-	-	(112)	(112)
Disposals	-	-	-	-	-	(1,484)	(1,484)
At 31 March 2018	9,691	15,967	1,766	-	-	41,012	68,436
Carrying amount at 31 March 2018	-	-	-	14,995	-	2,037	17,032

See note 1.10 for details of the intangible assets accounting policy.

The E-security, Portal and Business Gateway assets had all been fully depreciated by the start of the financial year, but are included in the accounts as they are still in use. Assets under development relate to the capitalisation of Local Land Charges costs during the year, case management improvements, mainframe to cloud-based migration and digital mortgage. More details about digital mortgage can be found on GOV.UK (search 'HM Land Registry Digital Mortgage Service Contingent Liability').

10 Financial instruments

	2018/19	2017/18
	£'000	£'000
Held-to-maturity investments	–	230,335

International Financial Reporting Standard 7 Financial instruments: disclosures requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

HM Land Registry has no borrowings and relies primarily on income from statutory activities and is therefore not exposed to liquidity risks.

As all material assets and liabilities are denominated in sterling, HM Land Registry is not exposed to currency risk.

11 Contract assets

	2018/19	2017/18
	£'000	£'000
Work-in-progress	5,670	6,648
	5,670	6,648

Contract assets relate to internal costs of staff and directly attributable overheads in preparing completion of registration for the customer.

As a result of IFRS 15, the basis for calculating contract assets has changed, resulting in a reduction in the asset value. HM Land Registry has applied the cumulative catch-up method in the statement of changes in reserves, as allowed by the Standard, to reflect the change in accounting policy. The 2018/19 I&E Reserve opening balance has been restated to show the effect of the reduction of £825,000.

12 Trade and other receivables

12.1 Current

	2018/19	2017/18
	£'000	£'000
Trade receivables	3,456	1,994
Other receivables	1,991	1,170
Prepayments and accrued income	4,832	6,201
	10,279	9,365

The average credit period taken on provision of services is 3.4 days. No interest is charged on the receivables. An allowance has been made for estimated irrecoverable amounts from the provision of services and this allowance has been determined by reference to past default experience.

12.2 Non-current

	2018/19	2017/18
	£'000	£'000
Other receivables	199	222
Prepayments	1,299	1,997
	1,498	2,219

The carrying amount of trade and other receivables is deemed to be an approximation of their fair value.

13 Cash at bank and in hand

	2018/19	2017/18
	£'000	£'000
Government Banking Service	504,081	100,098
Commercial banks and cash-in-hand	15,717	18,588
National Loans Fund	–	190,053
	519,798	308,739

HM Land Registry's financial assets are investments, bank balances and cash and trade and other receivables, which represent the maximum exposure to credit risk in relation to financial assets. The credit risk is primarily attributable to trade and other receivables and is spread over a large number of customers. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by management based on past experience and an assessment of the current economic climate.

The credit risk on liquid funds is limited because HM Land Registry's bank balances are in the main held with the Government Banking Service and the National Loans Fund.

14 Trade and other payables

14.1 Current

	2018/19	2017/18
	£'000	£'000
Trade payables	738	2,343
Taxation and social security	4,987	4,498
Other payables	3,635	3,329
Accruals	27,542	22,122
Net obligations under finance leases – buildings	241	213
Net obligations under finance leases – computer equipment	–	–
Contract liabilities	23,661	24,266
Dividend payable	6,810	28,706
	67,614	85,477

The average credit period taken for trade purchases is 7.6 days. The carrying amount of trade payables is deemed to be an approximation of their fair value.

14.2 Non-current

	2018/19	2017/18
	£'000	£'000
Net obligations under finance leases – buildings	4,282	4,523
Net obligations under finance leases – computer equipment	–	–
	4,282	4,523

15 Obligations under leases

15.1 Finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2018/19	2017/18	2018/19	2017/18
	£'000	£'000	£'000	£'000
Amounts payable under finance leases				
Within one year	846	846	241	213
In the second to fifth years inclusive	3,383	3,384	1,333	1,176
After five years	4,230	5,076	2,949	3,347
	8,459	9,306	4,523	4,736
Less future finance charges	(3,936)	(4,570)		
Present value of lease obligations	4,523	4,736		
Less amount due for settlement within 12 months (shown under current liabilities)			(241)	(213)
Amount due for settlement after 12 months			4,282	4,523

15.2 Operating leases

Leases as lessee

	2018/19	2017/18
	£'000	£'000
Minimum lease payments under operating leases recognised in the year	1,570	1,669
Income from tenants	–	–
	1,570	1,669

At the statement of financial position date HM Land Registry had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018/19	2017/18
	£'000	£'000
Within one year	267	85
In the second to fifth years inclusive	951	1,076
After five years	409	409
Income due from tenants	–	–
	1,627	1,570

Operating lease payments represent rentals payable by HM Land Registry for land and buildings, including the Nottingham and Peterborough local offices.

Leases as lessor

HM Land Registry leases out investment properties (see note 8.4).

At 31 March 2018 the future minimum lease payments under non-cancellable leases are receivable as follows:

	2018/19	2017/18
	£'000	£'000
Within one year	-	29
In the second to fifth years inclusive	-	-
After five years	398	348
	398	377

During the year, investment property rental income of £0.4m was receivable. As in previous years, this was included within miscellaneous income (see note 2.1). However, whereas previously the properties were let under memorandum of terms of occupation (MOTO) to other public sector organisations, they are now let on commercial terms.

16 Provisions for liabilities and charges

16.1 Early release schemes and other

	Early retirement	Other	Total	Early retirement	Other	Total
	2018/19			2017/18		
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	7,105	445	7,550	9,987	715	10,702
Provided in year	–	721	721	1,864	–	1,864
Revaluation of provision	115	–	115	(351)	13	(338)
Provision utilised in the year	(2,309)	(205)	(2,514)	(4,279)	(217)	(4,496)
Provision written back unused	–	–	–	(116)	(66)	(182)
At 31 March	4,911	961	5,872	7,105	445	7,550
Included in current liabilities	3,984	961	4,945	4,981	445	5,426
Included in non-current liabilities	927	–	927	2,124	–	2,124
			5,872			7,550

The early retirement provision (ERP) gives retirement benefits to certain employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme (PCSPS). HM Land Registry bears the cost of these benefits until the normal retirement age of the employees retired under the scheme. Total payments in the year amounted to £2.3m in 2018/19, of which £2.3m had been provided for within the ERP provision in the 2018/19 accounts. The total pension liability up to normal retiring age in respect of each employee is charged to the statement of comprehensive income in the year in which the employee takes early retirement and a provision for future pension payments is created. Pension and related benefit payments to the retired employee until normal retiring age are then charged annually against the provision.

Other provisions relate to property dilapidation costs.

16.2 Indemnity Fund

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR).

	Outstanding provision	IBNR provision	2018/19 Total	Outstanding provision	IBNR provision	2017/18 Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	10,800	80,200	91,000	8,000	77,100	85,100
Provided in the year	2,620	–	2,620	5,025	–	5,025
Provisions utilised in the year	(2,620)	–	(2,620)	(5,025)	–	(5,025)
Claims revaluation	400	–	400	2,800	–	2,800
IBNR revaluation	–	4,000	4,000	–	3,100	3,100
At 31 March	11,200	84,200	95,400	10,800	80,200	91,000

Following the actuarial review by Government Actuary's Department (GAD), the fund in respect of reported but not settled claims (Outstanding provision) has increased in 2018/19 by £0.4m (2017/18: £2.8m increase). The provision for claims incurred but not reported (IBNR provision) has increased in 2018/19 by £4.0m (2017/18: £3.1m increase).

The reason for the £0.4m increase in outstanding claims is due to an increase in the value of pending indemnity claims.

The £4.0m IBNR provision movement was as a result of a £5.0m increase in IBNR provision due to fraud and error claims having different settlement values and different settlement patterns and in the previous year these were treated as one settlement value and pattern, which is offset by a £1.0m decrease due to fewer claims being reported over the last year than expected which has resulted in a lower IBNR.

The Outstanding provision for claims received but not yet settled is an estimate and as it involves projecting future payments, the final amounts paid on these claims is uncertain. The main uncertainties are:

- the proportion of outstanding claims that will ultimately be paid;
- the value of the payments made; and
- the effect of any legal judgements.

The presence of large outstanding claims can add significantly to this uncertainty.

The IBNR provision is greater and inherently more uncertain than the Outstanding provision. Unlike the Outstanding provision, which is based on existing claims information, the IBNR provision covers potential claims that may be made as a result of errors that have already been introduced into the register as a result of day-to-day update activity (either through fraud and forgery or administrative error). The main uncertainties within the IBNR provision are:

- the number of unreported errors currently within the register is unknown;
- at what point in the future these errors will be discovered and claims made; and
- how much the cost of the corresponding claims will be.

Claims can take many years to be reported and subsequently settled.

In estimating the IBNR provision, the actuaries project the number and timing of future claim reports and average claim sizes, using assumptions about claims settlement patterns, the expected effects of any known legal judgements and claims inflation. The resulting projected future claims cash flows are then discounted to a net present value at the accounting date using HM Treasury prescribed discount rates.

The assumptions used in the projections are based on analysis of historical claims data, allowance for recent trends and consideration of the potential effects of underlying factors such as the volume of HM Land Registry activity and numbers of registered titles. We provide input to the actuaries on these assumptions, based on the knowledge of the legal team that handles the claims.

Uncertainty in the provisions – sensitivity analysis

The value of the Indemnity Fund provisions are subject to future uncertain final settlement value, both for known claims and claims incurred but not reported (IBNR).

The uncertainty in value of outstanding claims could lead to a variation in the proposed provision. A range of scenarios have been considered in respect of the assumptions on:

- the proportion of claims that settle for zero;
- the average claim size;
- the HM Treasury prescribed discount rate;
- the number of claims that will be received; and
- the rate of inflation.

These scenarios have been considered in isolation and combination as shown in the sensitivity analysis table below.

On the basis of this analysis work it is reasonably foreseeable that the value of liabilities could be about £11.2m (outstanding provision) or £84.2m (IBNR provision).

It is possible that in extreme favourable scenarios the value of liabilities could be as little as £10.4m (outstanding provision) and £60.6m (IBNR provision).

We have also considered extreme adverse scenarios, where the value of liabilities is as much as £12.0m (outstanding provision) and £107.8m (IBNR provision). The long-term open-ended nature of statutory indemnity means that these figures do not represent the maximum possible liability. However, we believe the likelihood of such scenarios to be small.

The degree of uncertainty at future accounting dates may be different from that illustrated here. This could be for a number of reasons, for example because the profile of claims has changed or because the outlook on future claim trends has changed.

At future accounting dates, it should be expected that:

- the outstanding provision will fluctuate depending on the volume of claims reported at the time, especially large claims;
- all else being equal the IBNR provision will increase over time because of inflationary forces; and
- both the Outstanding provision and the IBNR provision will be particularly sensitive to the number and value of fraud and forgery claims as these are the most financially significant category of claims.

The Indemnity Fund provision of £95.4m is our best estimate. However, the value of the Indemnity Fund provisions are subject to future uncertainty.

Sensitivity analysis

	Outstanding provision		2018/19 Percentage movement	
	£m		%	
Provided in these accounts (reasonably foreseeable value – see note 16.2)	11.2		0	
Impact of scenarios				
Discount rate				
1. Increase Treasury prescribed discount rate by 0.5% pa	11.1		– 1	
2. Decrease Treasury prescribed discount rate by 0.5% pa	11.3		1	
Settlement costs				
3. Increase settlement costs for the first development year by 5% for error claims	11.5		3	
4. Decrease settlement costs for the first development year by 5% for error claims	10.9		– 3	
5. Increase settlement costs for the first development year by 5% for fraud claims	11.5		3	
6. Decrease settlement costs for the first development year by 5% for fraud claims	10.9		– 3	
Extreme favourable scenarios				
(1) + (4) + (6)	10.4		–	
Extreme adverse scenarios				
(2) + (3) + (5)	12.0			
	IBNR provision		Percentage movement	
	maximum	minimum	increase	decrease
	£m	£m	%	%
Provided in these accounts (reasonably foreseeable value – see note 16.2)	84.2	84.2	0.0	0.0
Impact of scenarios				
Favourable but foreseeable scenarios				
Nil claims proportion				
1. Change the nil claims proportion for attritional claims by +/- 5%	87.6	80.8	4	– 4
2. Change the nil claims proportion for large claims by +/- 5%	85.9	82.5	2	– 2
Average cost per claim				
3. Change average cost per claim for attritional error claims by +/- 10%	85.0	83.4	1	– 1
4. Change average cost per claim for large error claims by +/- 10%	85.0	83.4	1	– 1
5. Change average cost per claim for attritional fraud claims by +/- 10%	88.4	80.0	5	– 5
6. Change average cost per claim for large fraud claims by +/- 10%	85.9	82.5	2	– 2
Discount rate				
7. Increase Treasury prescribed discount rate by 0.5% pa	81.7		– 3	
8. Decrease Treasury prescribed discount rate by 0.5% pa	86.7		3	
Projected number of IBNR claims				
9. Increase projected number of attritional IBNR claims by 10% for incident years since 2013/14	85.9		2	
10. Decrease projected number of attritional IBNR claims by 10% for incident years since 2013/14	82.5		– 2	
11. Increase projected number of large IBNR claims by 10% for incident years since 2013/14	85.9		2	
12. Decrease projected number of large IBNR claims by 10% for incident years since 2013/14	82.5		– 2	
Future claims inflation				
13. Increase assumed future claims inflation by 1%	89.3		6	
14. Decrease assumed future claims inflation by 1%	79.1		– 6	
Extreme favourable scenarios				
(1)+(2)+(3)+(4)+(5)+(6)+(7)+(10)+(12)+(14)	60.6			
Extreme adverse scenarios				
(1)+(2)+(3)+(4)+(5)+(6)+(8)+(9)+(11)+(13)	107.8			

17 Capital commitments

	2018/19	2017/18
	£'000	£'000
Capital expenditure	–	1,518
Contracted for but not provided in these accounts	–	1,518

18 Contingent liabilities

18.1 Indemnity

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR) (see note 16.2) based upon the assumed likelihood that claims will be successful.

As at 31 March 2019, the value of pending indemnity claims made to HM Land Registry is shown below. The estimated settlement value of these claims included within the Indemnity Fund provision is £11.2m (see note 16.2).

Errors or omissions

	2018/19	2017/18
	£'000	£'000
Mistakes	10,510	8,240
Fraud and forgery	18,967	13,825
	29,477	22,065

18.2 Employment tribunals

At 31 March, HM Land Registry had a small number of employment tribunal cases, which are considered contingent liabilities. However, at this time, it is not possible to estimate their likely outcome and timing. IAS 37 Provisions, Contingent Liabilities and Contingent Assets requires only the general nature of the dispute to be disclosed.

19 Notes to the cash flow statement

19.1 Reconciliation of operating surplus to net cash inflow from operating activities

	2018/19	2017/18
	£'000	£'000
Operating surplus	31,041	59,762
Impact of changes in accounting policy*	(825)	–
Restructure and reorganisation costs	3,494	(5,701)
Local Land Charges revenue costs	(4,681)	(1,298)
Depreciation of property, plant and equipment	4,351	4,161
Amortisation of intangible assets	2,972	610
Impairment in value of non-current assets	443	264
Increase/(decrease) in provisions	(4,709)	(3,153)
(Increase)/decrease in inventories	978	(2,598)
(Increase)/decrease in receivables	(485)	(137)
Increase/(decrease) in payables	6,569	7,822
Increase in Indemnity Fund	4,400	5,900
Net cash inflow from operating activities	43,547	65,632

* The movement in inventories has been restated to reflect the impact of IFRS 15

19.2 Reconciliation of net cash flow to movement in net cash

	2018/19	2017/18
	£'000	£'000
Net cash at start of period	308,739	489,926
Increase/(decrease) in cash in the period	211,059	(181,187)
Net cash at end of period	519,798	308,739

20 Related party disclosures

In accordance with IAS 24 Related party disclosures, as interpreted by the FReM, the following information is provided on related party transactions.

HM Land Registry is an executive agency, trading fund and government department and BEIS is our parent department. During the year it has had a number of material transactions with other government departments and other central government bodies. Most of these transactions have been with Ordnance Survey and HM Courts & Tribunals Service.

None of the board members, or members of the key management staff or other related parties, have had influence over any material transactions undertaken by HM Land Registry.

21 Events after the reporting period

In accordance with the requirements of IAS 10 Events after the reporting period, events after the statement of financial position date are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the certificate and report of the Comptroller and Auditor General.

Non-adjusting events after the reporting period

There are no non-adjusting events after the reporting period.

Appendix A

Volumes and workloads 2018/19 and 2017/18

Application intake by type and method of receipt

	2018/19			2017/18		
	Total applications/ products received	Applications/ products received through online services	% of applications/ products received through online services	Total applications/ products received	Applications/ products received through online services	% of applications/ products received through online services
Bulk register updates (BRUs)	2,148,099	–	–	1,212,252	–	–
Total applications excluding BRUs	34,407,348	32,262,218	93.77	32,490,169	30,815,010	94.84
Total applications/products	36,555,447	32,262,218	88.26	33,702,421	30,815,010	91.43
Substantive applications excluding BRUs	5,032,142	4,511,832	89.66	4,991,157	4,404,442	88.24
Preliminary services products	20,052,646	19,905,920	99.27	18,759,977	18,614,357	99.22
Enquiry services applications	9,322,560	7,844,466	84.14	8,739,035	7,796,211	89.21
Total	34,407,348	32,262,218	93.77	32,490,169	30,815,010	94.84

Substantive applications excluding BRUs

First registrations	102,663	–	–	103,751	–	–
Dispositional first leases	204,576	191,826	93.77	215,432	196,439	91.18
Transfers of part of registered land	209,041	191,853	91.78	190,580	169,918	89.16
Dealings of whole with registered land	4,515,862	4,128,153	91.41	4,481,394	4,038,085	90.11
Total	5,032,142	4,511,832	89.66	4,991,157	4,404,442	88.24

Preliminary services products

Official copies ¹	16,671,499	16,556,937	99.31	15,463,882	15,356,323	99.30
Official searches	2,595,584	2,591,796	99.85	2,528,060	2,522,514	99.78
Official searches of the index map ¹	785,563	757,187	96.39	768,035	735,520	95.77
Total	20,052,646	19,905,920	99.27	18,759,977	18,614,357	99.22

Enquiry services applications

Register views	5,504,351	5,504,351	100.00	5,431,016	5,431,016	100.00
Title plan views	990,453	990,453	100.00	955,381	955,381	100.00
Document views	56,858	56,858	100.00	58,730	58,730	100.00
Correspondence	303,643	76,236	25.11	276,050	182,985	66.29
Telephone enquiries	1,250,687	–	–	849,759	–	–
MapSearch downloads	1,216,568	1,216,568	100.00	1,168,099	1,168,099	100.00
Total	9,322,560	7,844,466	84.14	8,739,035	7,796,211	89.21

For accompanying text see overleaf.

The table above sets out the transactional activities for the year, along with comparatives for the previous year. In this financial year we serviced more than 36 million applications, fulfilling the requirements of the 2002 Land Registration Act. These form the core of our activities and the revenues associated with them. The table also details our progress towards electronic delivery, in relation to the various types of application we receive. Excluding bulk register updates (BRUs), the proportion of applications received electronically fell slightly from 94.84% to 93.77%.

Bulk register updates are groups of applications lodged at HM Land Registry affecting a large volume of registered titles, such as a bank changing the address for service on all of its registered charges. The levels of receipt of such applications are volatile in their nature and are therefore separated from other application types in order to avoid distortion of the data.

Note: An official copy application may result in more than one register and/or title plan being supplied.

A search of the index map application may give rise to more than one title number being revealed. For this reason the number of registers/title plans or the number of title numbers revealed are used as a metric rather than the number of applications themselves. These are termed products.

Appendix B

Land Charges and Agricultural Credits volumes and workloads 2018/19 and 2017/18

The Land Charges Department

The Land Charges Department operates under the authority of the Land Charges Act 1972.

The department maintains registers of Land Charges, pending actions, writs and orders affecting land and other encumbrances registered against the names of owners of property, which are not registered under the Land Registration Acts. The department also maintains the Index of Proprietors' Names (IOPN). This index can be searched against only on production of the appropriate authority and is used to establish whether any property assets are held against individuals or companies.

Some elements of customer accounts are also managed in the Land Charges Department.

Type of application	Number of applications or names in 2018/19	Number of applications or names in 2017/18
New registrations, rectifications and renewals	24,672	23,689
Cancellations	6,152	7,186
Official searches		
– Full searches	143,268	145,457
– Searches limited to insolvency	1,680,801	1,629,190
Office copies	22,846	24,647
Total	1,877,739	1,830,169

The Agricultural Credits Department

The Agricultural Credits Department is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

Type of application	2018/19	2017/18
New registrations	599	568
Cancellations and rectifications	660	721
Searches	2,460	2,416
Total	3,719	3,705

Appendix C

Treasury Minute

HM Land Registry Trading Fund

HM Treasury Minute dated 30 March 2017

1. Section 4(1) of the Government Trading Funds Act 1973 (“the 1973 Act”) provides that a Trading Fund established under that Act shall be under the control and management of the responsible Minister (or, where a Trading Fund is established for operations carried on by a person appointed in pursuance of any enactment, that person, if the Order establishing the Trading Fund is made in accordance with section 1(6) (a) of the 1973 Act) and in the discharge of his functions in relation to the fund it shall be his duty:
 - a. To manage the funded operations so that the revenue of the fund:
 - i. Consists principally of receipts in respect of goods and services provided in the course of the funded operations, and
 - ii. is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to revenue account; and
 - b. To achieve such further financial objectives as the Treasury may from time to time, by minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.
2. The Trading Fund for H M Land Registry was established on 1 April 1993 under the Land Registry Trading Fund Order 1993 (SI 1993 No. 938). Article 3 (2) of that Order provides that the Trading Fund shall be under the control and management of the Chief Land Registrar. Additional assets were appropriated to the Trading Fund on 11 March 1996 under the Land Registry Trading Fund (Additional Assets) Order 1996 (SI 1996 No. 750). On 13 October 2003, the Trading Fund was extended and amended under the Land Registry Trading Fund (Extension and Amendment) Order 2003 (SI 2003 No. 2094).
3. The Secretary of State for the Department of Business, Energy and Industrial Strategy, being the responsible Minister for the purposes of section 4(1) (b) of the 1973 Act, has determined (with Treasury concurrence) that a further financial objective desirable of achievement by H M Land Registry to achieve, over the period from 1 April 2017 to 31 March 2022, a return, taking one year with another, of 3.5 per cent real in accordance with Managing Public Money. This will take the form of an operating surplus on ordinary activities post exceptional items and interest (payable and receivable), but before dividends, expressed as a percentage of average capital employed. Capital employed shall equate to the total assets from which shall be deducted the total liabilities.
4. This Minute supersedes that dated 24 April 2012.
5. Let a copy of this Minute be laid before the House of Commons pursuant to section 4(1)(b) of the Government Trading Funds Act 1973.

HM Treasury
30 March 2017

Appendix D

Sustainability historical data

Carbon data (tonnes)

Greenhouse gas emissions	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Non-financial indicators (tCO₂e)							
Total gross emissions for scopes 1 and 2	4,885	5,142	6,818	7,835	8,048	8,404	10,447
Electricity: green/renewable	1,824	1,688	1,710	1,195	2,306	2,780	2,265
Total net emissions for scopes 1 and 2 (having removed renewable elements)	3,061	3,454	5,108	6,640	6,839	5,624	8,182
Gross emissions scope 3 travel ¹	460	528	510	557	608	724	893
Total gross reported emissions	5,345	7,361	7,328	8,392	8,656	9,128	11,340
Non-financial (mWh)							
Electricity: purchased (grid, combined heat and power, and non-renewable)	11,994	12,478	12,808	12,956	12,902	12,200	15,943
Electricity: renewable	–	–	–	–	–	–	–
Gas	6,528	6,659	5,774	7,325	6,989	8,355	11,567
Other energy sources	–	–	–	–	–	–	–
Total energy	18,522	19,138	18,582	20,281	19,892	20,555	27,510
Financial indicators (£'000)							
Expenditure on energy	1,943	1,788	1,485	1,641	1,684	1,810	2,043
Expenditure on accredited offsets (for example Government Carbon Offsetting Fund)	–	–	–	–	–	–	–
Expenditure on official business travel	1,305	1,193	1,231	1,222	1,142		

Waste arising (tonnes)

Waste	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Non-financial indicators							
Hazardous waste	0	6	3	1.6	–	–	–
Non-hazardous waste							
Landfill waste	40	29	13	31.9	105	101	379
Reused/recycled waste	966	986	1,028	1,604	802	858	1,042
Energy from waste	163	26	5	6.6	–	–	–
Total waste arising	1,181		1,049	1,105	907	959	1,421
Financial indicators (£'000)							
Hazardous waste	0	0	0	0	–	–	–
Non-hazardous waste							
Landfill waste	0	0	0	0	0	0	
Reused/recycled waste	0	0	0	0	0	0	
Incinerated waste	0	0	0	0	–	–	
Total waste costs	75	147	129	212	297	290	415

Water reduction (cubic metres)

Water	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Non-financial indicators (cubic metres)							
Consumption							
Supplied	41,548	41,130	34,967	36,395	38,153	36,037	31,230
Abstracted	–	–	–	–	–	–	–
Total consumption	41,548	41,130	34,967	36,395	38,153	36,037	31,230
Financial indicators (£'000)							
Total supply costs	164	139	152	173	188	228	236

Appendix E

Indemnity Fund

In 2018/19, we paid £2,620,743 for 882 claims, compared with £5,445,825 for 852 claims in 2017/18. The largest claim paid this year was for a plans search error where we had failed to limit the result, this payment being for £700,000. Error payments have been comparable with last year, but fraud payments this year have been unusually low, accounting for just 15.5% of the total payment.

The original maximum value of the substantive claims paid was £6,351,541 but these were settled for £1,532,985, saving £4,818,556. During the year a further 343 claims valued at £6,579,396 were settled for no value. Of these 13 were for fraud and were valued at £2,290,356. During the year 1,172 new claims were received totalling £16,514,884, including 39 fraud claims valued at £6,857,362.

We recovered £127,750 under our statutory rights of recourse, compared with £554,766 last year. Recourse figures tend to vary considerably from year to year, reflecting the unpredictable interplay of legal and factual elements which will determine the viability of achieving any recovery.

Nature of claim	Number of claims	Substantive loss (£)	Costs (£)	Percentage of total
Extent of registered titles	127	313,148	327,053	24.43
Errors in/omissions from register entries	123	265,974	382,821	24.76
Sundry plans errors	13	1,650	5,826	0.29
Fraud and forgery	17	283,367	123,098	15.5
Official searches (plans)	8	605,200	121,456	27.73
Bankruptcy errors	0	0	0	–
Official searches (legal)	3	0	1,065	0.04
Official copies	1	0	780	0.03
Errors in searches of the index map (SIMs)	6	43,000	10,735	2.05
Errors in filed extracts	357	951	67,780	2.62
Lost documents/administrative errors	227	19,695	47,144	2.55
Land Charges errors	0	0	0	–
Total	882	1,532,985	1,087,758	
Gross payment				£2,620,743
Less sums recovered under HM Land Registry's statutory right of recourse.				£127,750
Net indemnity				£2,492,993

Appendix F

Trade union facility time

Time period: 1 April 2018 to 31 March 2019

Months: 12

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
178	160.87

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	95
1 – 50%	83
51 – 99%	0
100%	0
Total	178

Table 3: Percentage of pay bill spent on facility time

	Amount
Total cost of facility time	£246,606.47
Total pay bill	£209,166,000.00
Percentage of total pay bill spent on facility time	0.118%

Table 4: Paid trade union activities

Total number of hours spent on paid trade union activities	0.00
Total number of hours spent on paid facility time	12,376.38
Time spent on paid trade union activities as a percentage of total paid facility hours	0.00%

